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NEWS SUMMARY

GENERAL

Fines soar in new laws

[Va]stly increased maximum [fin]es for a range of offences, [fr]om careless driving to water-[w]asting and football hooli-[ga]nism, are contained in the [Go]vernment's new Criminal [La]w Bill published yesterday.

[I]mportant changes concern the [an]tiquated conspiracy law. The [o]ffence will now be restricted to agreement to commit a crime and bring punishment for conspiracy into closer line with that for the crime itself.

There are special provisions to make it easier to evict squatters, notably dealing with the common law on forcible entry and detainer which has not been altered since 1623.

Drivers hit

Bad drivers will be liable to a summary fine of up to £500 as against £200. For soccer hooligans, who cause criminal damage, the maximum fine rises from £400 to £1,000.

Water-wasters will face fines of up to £200. Infringements of the abortion laws are to be punished by fines of up to £1,000, a ten-fold increase. The anti-rabies laws are also stiffened with fines of up to £1,000.

Warsaw pact chief dies

Marshal Ivan Yakubovsky, Warsaw Pact commander-in-chief, who failed to attend last week's Pact conference in Bucharest, has died, it was announced in Moscow. He was 64. The marshal played an important role in the invasion of Czechoslovakia in 1968.

Winter causes road havoc

One person died and six others were injured in a six-vehicle pile-up on an icy M62 at Burtonwood, Merseyside yesterday as flooded roads and scores of accidents followed the onset of wintry conditions. In Kent, a man died in hospital after his car skidded on ice near Canterbury. Summer of '76 forecast every 25 years. Page 9

Rhodesia plan

Britain should nominate an interim government for Rhodesia if agreement on an administration cannot be reached at Geneva, Mr. Garfield Todd, former Premier of Southern Rhodesia, who is advising the Nkomo team, said in London yesterday. Page 5

Escape probe

Mr. Bruce Millan, Scottish Secretary, told the Commons he is to set up an independent inquiry into Tuesday's escape from Carstairs State Mental Hospital, Lanarkshire. Two mental patients were taken from court to Glasgow's Barlinnie prison yesterday after being accused of murder.

Murder mix-up

Paddy Meehan, the man convicted then cleared of murder in Scotland yesterday heard an Edinburgh High Court judge say his pardon should not have been granted. After the judge's statement, a jury found Ian Waddell, the man alleged to be the real killer, not guilty and also cleared him of giving perjured evidence at Meehan's trial for the murder.

Briefly . . .

An Army convoy was hit by a Provisional IRA rocket in Belfast yesterday. There were no casualties. Political story, Page 8

Turkey is to increase its defence spending by 30 per cent. Page 4

British trawlers were last night leaving Iceland's 200-mile fishing zone to meet a midnight deadline.

Gunmen, who seized £400,000 in a Brussels raid, escaped after killing a five-year-old boy. A number of suspects were later detained.

BUSINESS

Sterling gains 1c; equities improve

● STERLING gained 1.05c to $1.6630: its weighted depreciation improved to 44.9 (45.3) per cent. The dollar's appreciation narrowed to 0.33 (0.35) per cent.

● EQUITIES improved in quiet trading. The FT 30-share index rose 3.7 to 301.3 while the All-Share gained 1.4 per cent. to 130.75.

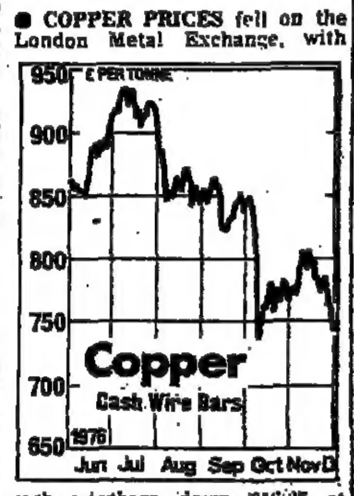
● GILTS also traded quietly, with gains seldom extending beyond ½. The Government Securities index was 0.12 up at 58.22.

● GOLD gained $½ to $130½.

● MLR REDUCTION to-morrow would not be welcomed by the authorities.

● WALL STREET was 2.16 up at 949.38 near the close.

● COPPER PRICES fell on the London Metal Exchange, with



cash wirebars down £16.25 at £742.5 a tonne. Page 33

● U.S. INDEX of leading economic indicators was unchanged in October, indicating the slowdown in growth continues. Page 6

Documents seen 'before bid'

● JOHNSON & Firth Brown was shown confidential documents about Dunford & Elliot while it was being encouraged by the Bank of England to join an institutional consortium to rescue the concern. Afterwards it launched at £8.5m. bid for Dunford, it was claimed in the Court of Appeal. Back Page and Page 8

● STOCKBROKERS Phillips and Drew say company share prices do not yet reflect the impact of current cost accounting, although the market is discounting the overall impact. Back Page and Page 9

● NIGERIA has cut the amount of external reserves held in sterling from 75 per cent. six years ago to 28.2 per cent., about £1bn., said the central bank. Page 5

LABOUR

● MERSEYSIDE and Glasgow were the areas most prone to labour disputes in a Department of Employment survey covering 1971-73 which the Government decided to publish despite fears it could hinder investment in some regions. Page 12

● CIVIL SERVICE is introducing compulsory retirement at 65 in January, causing about 8,000 redundancies. Back Page

COMPANIES

● FAIREY COMPANY first-half pre-tax profit rose to £2.17m. (£1.35m.) on increased turnover of £31.55m. (£25.72m.). Page 23 and Lex

● GREAVES ORGANISATION, one of the largest house builders in the West Midlands, has ceased trading and is going into receivership. Page 23

● BMW EXPECTS better profits in 1976 than in the "outstanding" year of 1973, said the chairman. Page 26

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
[Tre]asury 9½pc 1981	£55⅞	+ ⅜
[..]x Properties	112	+ 5
[..] Rubber	74	+ 7
[Barc]lays Bank	202	+ 4
[..]ham	330	+ 8
[..]erfield Props.	124	+ 10
[..]on Bros.	116	+ 10
[..] Mail "A"	185	+ 5
[..]ter Bros.	130	+ 5
[..] (B.)	54	+ 4
[..]s	262	+ 8
[illegible]	360	+ 7
[illegible]	232	+ 8
[..]nerson "A"	200	+ 10
[..]roke	864	+ 34
Investors	79	+ 5
[..] Bank	170	+ 5
[..]e	59	+ 3
[..]nd	95	+ 4
Ozalid	85	+ 4
St. Kitts (London)	178	+ 18
Scot. Universal Invs.	54	+ 4
Spear and Jackson	84	+ 4
Swan Hunter	44	+ 5
Thomson	348	+ 8
Randfontein	£22¼	+ 1
FALLS		
ANZ	285	− 15
Allied Retailers	35	− 4
Braswa[y]s	28¼	− 3¼
BH Prop.	360	− 25
Lend Lease	155	− 20
BP	728	− 10
Woodside-Burmah	90	− 8
EZ Inds.	225	− 35
Northgate	340	− 25
Pancontinental	875	− 75
Peko-Wallsend	310	− 20
Sabina	64	− 6
Thiess Hldgs.	160	− 16
Western Mining	129	− 9

Agnelli retains control after £250m. deal

Libya takes 9.6% stake in Fiat

BY ANTHONY ROBINSON; Turin, December 1

LIBYA is to invest a total of $415m. (£251.5m.) in Fiat and take a 9.6 per cent. stake in the Company, Sig. Gianni Agnelli, the chairman, announced in Turin to-night.

Libya, acting through the Libyan Arab Foreign Bank, becomes the second largest single shareholder in what is Italy's largest private employer, although control of Fiat SpA remains firmly in the hands of the Agnelli family through the holding company IFI.

Two Libyan representatives will sit on the 15-man Fiat Board and one will join the five-man executive committee which meets twice yearly.

Sig. Agnelli met Sig. Giovanni Leone, the Italian President, earlier to-day, to clear the deal with the Government and the unions will be told at a special meeting to-morrow.

Sig. Agnelli said at the company's headquarters that the deal represented a classic petro-money recycling operation which will strengthen the Italian reserves, provide Fit with fresh risk capital and "give the group greater tranquillity in carrying out its ambitious investment plans."

The Libyan investment is on a three-tier basis involving a straight capital increase, a convertible bond issue and a ten-year loan.

The Libyan bank will subscribe first to a capital increase of nearly Lire15bn. This will raise Fiat's capital to L.165bn. The 20m. new Ordinary and 10m. Preference shares with a nominal value of L.500 will carry a surcharge of L.5,500. The total L.6,000 price is nearly four times higher than to-night's closing price for Fiat shares of L.1,695 (rising to L.1,800 in hectic after-hours dealing).

Libya will also subscribe to a convertible bond issue of some L.90bn., at 9.5 per cent. These will be redeemable after 1982 but convertible into Fiat shares between June, 1978, and June, 1982, on the basis of two Ordinary and one Preference share per L.1,000 nominal bond. This would give the Libyans the option of raising its share stake in the company to 13 per cent., Sig. Agnelli said.

Lastly, the Libyan bank will make a 10-year loan of $104m. at a spread of 0.25 per cent. above the six-month London inter-bank rate.

In total, Fiat will receive an injection of $415m. Ironically Fiet is currently highly liquid at this time. Sig. Agnelli said that the time to obtain capital is when it is not needed in a world where capital is going to be increasingly hard and expensive to obtain.

Fiat's total long-term debt currently amounts to a mere L400bn.—approximately 5 per cent. of the L3,500bn. group turnover expected this year. It has short-term credits with the banks. Sig. Agnelli said that Fiat had no plans to change its existing investment programme at present, although the timing might now be speeded up.

Following the 10 per cent. capital increase IFI's share of the Fiat capital will drop from 33 to 30 per cent. This would drop to 29 per cent. if all the bonds are subsequently converted.

Negotiations for the deal took 18 months and followed an approach by the Libyans. The two principal Fiat negotiators were Sig. Cesare Romiti, Fiat's finance director, and Sig. Gianluigi Gabetti, IFI's managing director. The bulk of the negotiations took place at Mediobanca in Milan.

Implications

The favourable price of L6,000 a share was agreed following a valuation of assets and reserves by Price Waterhouse. The value of reserves was put at around L600bn. Fiat's fixed assets are depreciated at an average of 70 per cent. per annum.

Questioned about the political implications of the deal, Sig. Agnelli said that Fiat had sold nothing but merely accepted fresh capital. The Libyans' stake was a minority one and they had agreed to accept the rule of the majority.

Asked about the likely effect on relations with Israel, he replied that this was unpredictable but insisted that Fiat was a business not a political organisation and had trading and manufacturing agreements with many countries and types of regimes.

He denied categorically that arms supplies to Libya were part of the negotiations, or that the new capital was linked in any way to future Fiat investment projects in Arab countries. Fiat is negotiating a major turnkey car plant in Algeria.

Richard Johns writes: The financial marriage between Fiat and Libya is less improbable than may appear at first sight. One clear straw in the wind appeared two weeks ago with the announcement that Fiat Veicola Industriali had agreed to construct, on Libya's behalf, a lorry and bus assembly plant at Tajoura, near Tripoli, which will produce 4,000 units a year.

Industrialisation is a major priority in Libya's ambitious development programme and the sector has been allocated 424m. Libyan dinars (£870m.), or nearly 30 per cent. of the state's development budget.

Despite his theoretical objections to capitalism, Colonel Khedaffi's motive in buying into the Italian group appears to be basically the same as the Shah of Iran's in acquiring a stake in Krupp, the West German heavy industrial giant. This is not only to acquire the best in technology but also to secure the vested interest of a major Western company in the success of projects undertaken in Libya.

Fraser to sell SUITS stake if he is ousted

BY MARGARET REID

SIR HUGH FRASER said last night that he would sell his family's 36 per cent. stake, worth £6m. in Scottish and Universal Investments, if shareholders ousted him as chairman.

Sir Hugh's statement came as investing institutions, with a stake of more than 0 per cent., asked questions "with a view to reaching conclusion on further changes which may be necessary in the management of the company."

On Tuesday a Stock Exchange report criticised "inefficiency and ignorance of financial matters" for which Sir Hugh and his executive staff were largely blamed. But it cleared him of insider trading over some £2m. of net sales of SUITS shares which he had made, chiefly to meet gambling debts.

The institutional investors' committee, which has closely watched the matter, met yesterday and afterwards wrote to Mr. Alec MacKenzie, the senior Scottish chartered accountant who joined the Board in a non-executive capacity in September.

It asked questions to help it reach a final opinion, on what should be the future in the company of Sir Hugh; his fellow-directors, stockbroker Mr. Nicholas Redmayne and banker Mr. Angus Grossart; and the company secretary, Mr. G. M. Corrie.

Mr. Redmayne was criticised in the report for his share deals, though cleared of insider trading, and Mr. Corrie was also criticised. The Exchange's report referred to share sales by the uncle of Mr. Grossart, in whose name they were held, but did not criticise him.

'No heads yet'

Mr. Lawrence Banks, chairman of the institutional shareholders' committee, said: "We have asked for further information and opinions concerning the future management of the company. We're not seeking people's heads at this stage."

But Sir Hugh, hearing of the inquiries about his position, said in an interview last night that he had always made clear he would go as chairman (he has already resigned as managing director) if shareholders so decided. He added: "If they didn't want me as chairman, the Fraser family wouldn't want to continue holding 36 per cent. of SUITS."

Of his gambling at gaming clubs, Sir Hugh, who is 40 this month, said: "It started when I was 14. I assure you it has finished."

A SUITS Board meeting yesterday accepted the "general fairness" of the Exchange's report, while not accepting specific criticisms of management and efficiency.

Mr. John Brew, a partner in Grieveson Grant, said Mr. Radmayne would remain a partner in the stockbroking firm.

Of Mr. Redmayne's position at SUITS, he said: "We have to take note of the Stock Exchange report's comment about non-executive directors of companies acting in the context described, and that will have to be resolved."

The Department of Trade was still considering the report, referred to in connection with Section 165 (b) (iii) of the Companies Act 1948. The Stock Exchange made this reference because "shareholders may not have been given all the information which they might reasonably expect."

GKN poised to win Sachs fight

BY KENNETH GOODING AND A. H. HERMANN

BRITAIN'S biggest engineering group, Guest Keen and Nettlefolds, seems in sight of ultimate victory in its legal battle to take over Sachs, the big West German motor components company.

The Berlin Appeal Court has allowed the joint appeal by GKN and Sachs against a Federal Cartel Office ruling last May that the takeover should be banned.

The Cartel Office can appeal to the Federal Supreme Court, but if it does not, GKN could take effective control of Sachs in February.

If the office does appeal it would take another year for the Supreme Court to give a decision.

This would immediately add more than 50 per cent. to GKN's existing overseas turnover of about £360m. and 78 per cent. to its Continetal sale—worth £240m.

If the Cartel Office does not appeal, it will probably be because yesterday's judgment has vindicated its interpretation of the law.

The judgment confirmed that Sachs's dominating position in the German clutch manufacturing market could, in principle, be further strengthened by additional financial power and that even a "merely perceptible" strengthening of Sachs's position in this way would offer a good reason to prohibit the merger.

However, the court decided that in this case the merger should be allowed because:

1. Sachs is already so strong that no addition to its financial power could usefully be deployed in the clutch market; and

2. No financial or other strengthening of Sachs by GKN could adversely affect remaining competitors or new entrants to the market, because the market is largely regulated by the motor manufacturers. Their promise to buy certain quantities of components can sustain existing competitors and open the door to new entrants.

The full text of the judgment will be made available in January, after which the Cartel Office has one month to decide about an appeal.

GKN announced last December its intention to acquire a 75 per cent. stake in Sachs. Since then it has faced opposition from the divorced wife of one of the Sachs brothers, who are the major shareholders, as well as the Cartel Office. The EEC Commission gave the deal the go-ahead.

GKN bought 25 per cent. of Sachs for DM110m. (£23.9m.) in July. The U.K. group is committed to paying DM220m. for the remaining 50 per cent. it is to take up.

Sachs's manufacturing operations are almost entirely complementary to those of GKN, except that they both supply clutches—GKN through Laycock Engineering in the U.K.

Sachs also makes shock absorbers (it is Europe's biggest manufacturer), vehicle hubs, bicycles, motor cycles and a range of small engines.

IMF may seek 10% limit on money growth

BY DAVID BELL WASHINGTON, Dec. 1.

THE International Monetary Fund is believed to have proposed that Britain's overall money supply should not grow by more than 10 per cent. in each of the next two financial years.

This target—compared with a 12 per cent. target for this financial year—is likely to be backed up by stringent performance clauses.

Under these conditions, successive tranches of the $3.9bn. loan now being negotiated, would only be released if certain interim targets have been met. It is not yet clear what these would be or whether they would have to be met at four- or six-monthly intervals.

Meanwhile, there is some anxiety within the IMF about reports of serious dissension inside the British Cabinet, and some senior officials are known to feel that the way in which the Fund has negotiated the loan may have actually contributed to these disagreements.

It is felt in some quarters that the loan negotiations have gone on much too long and have almost begun to have a life of their own. Moreover, this may, of itself, have allowed time for political opposition to the IMF proposals to develop in the U.K.

As a result, the negotiations may have left the Fund in what one official called a "very exposed position."

It is clear that the IMF feels a great deal hangs on the way in which the British Government "sells" the package now being discussed in the Cabinet, provided—and this is not taken for granted—such a package can be agreed.

The Fund's target for the public sector borrowing requirement is apparently intended to be somewhat vague because of the difficulties of making precise forecasts at this stage.

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Nevertheless, it is understood that the Fund expects the Government to make some reference to a target of about £8bn. in the fiscal year 1977-78, if and when the package is announced.

If such a broad commitment is forthcoming, it is understood that the Fund will not suggest incorporating this figure in the public letter of intent which must accompany the formal signing of the IMF loan agreement.

Reports of disagreement in the

Continued on Back Page

Details for Cabinet

BY RICHRD EVANS AND PETER RIDDELL

CABINET MINISTERS yesterday received their first detailed indication from Mr. Denis Healey, the Chancellor of the Exchequer, of the economic measures on which they will have to decide to secure the loan of $3.9bn. from the International Monetary Fund.

After a three-hour Cabinet meeting it emerged that final decisions on the [details] of the package Mr. Healey is expected to present to Parliament later this month are unlikely to be reached this week.

The Cabinet discussion yesterday, which will continue to-day, was still concerned with the overall economic strategy to be pursued, and only after this has been decided will Ministers start considering the breakdown of the package and the balance between public spending and taxation measures.

Although other meetings are probable next week, Mr. Healey seems hopeful that he will be able to make a statement to the Commons around the target date of mid-December.

Because of the conflicting forecasts of economic trends, Ministers have apparently not yet decided on the scale of cutback required in the public sector borrowing requirement over the next two or three years.

The main part of the consequent adjustment is now expected to come fro meuts in public spending, startin gin 1977-78 and stretching over the following years.

No changes in direct tax will be announced in this month's statement, as Mr. Healey told the Commons on Tuesday. Decisions on income tax will have to wait until the spring Budget, both to take account of the talks on the next stage of the pay policy and of any adjustments to meet revised PSBR projections.

hanges in indirect taxes are likel yto play a much smaller part in the forthcoming package than appeared probable a few weeks ago. This reflects concern over the possible impact on retail prices and the social contract.

However, this may not exclude

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Shipbuilding Bill victory

By Philip Rawstorne

THE GOVERNMENT paved the way last night for the speedy passage through the Commons of its Bill to nationalise major sections of the aircraft and shipbuilding industries which was blocked by the Lords last session.

By a majority of 18 (286-268) the Government suspended Commons Standing Orders to avert a Tory challenge to the Bill's status, that could have held it up for several weeks.

The Government's move repeated its atctics last session against claims by Mr. Robin Maxwell Hyslop, Tory MP for Tiverton, that the legislation was hybrid—treating similar companies unequally — and should be given special examination.

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LOMBARD

An unthinkable way to cut spending

BY ANTHONY HARRIS

IN THE GREAT argument over cutting public spending, there seem to be two main lines of argument. The cutters start from the statement that the borrowing requirement is too high to be compatible with monetary targets; or, if they are more sophisticated, that the interest rates involved in financing it would inhibit industrial investment completely. You cut spending to cut interest rates to stimulate investment.

The defenders of public spending have an answer ready to this one: cutting spending—or, for that matter, raising taxes or charges—will deflate demand still further, and cutting demand is an odd way to stimulate investment. There are two counter-arguments to this for the short term, and a clincher for the longer term. The short-term arguments are first, that capacity is demonstrably short in export industries, where investment should ideally be concentrated.

A second, more sophisticated argument—but also much more speculative—starts from the still unexplained rise in personal saving. A cut in spending, they say, would both reduce inflationary expectations, and quite immediately give new heart to the gilt-edged market. Both these effects would tend to stimulate spending at the expense of saving, so that there might be little or no deflationary effect in the short run, even

Block attempt

As for the long run, the answer is simpler and starker: it is no good talking about an industrial strategy or a transfer of resources if you constantly block every attempt at beginning such a transfer. Even if there is a painful time lag, there is no other way to start the process: and since a spending cut, unlike an increase in taxes, would tend to put heart into the private sector, this is the way to do it.

Fine. There is a case for cutting public spending, and even the Cabinet seems to accept the principle, if taken in measured doses over a sufficiently long period of time (an odd case, but very characteristic of this Administration, where the victim actually chooses a slow and painful form of execution. I'd take the firing squad).

However, it is one thing to agree to a principle, and quite another to put it into practice. Propose any actual cuts, and someone will come up with a heartrending tale of unfulfilled needs, or a highly convincing picture of the uselessness for any imaginable purpose of an unemployed social worker

More generally, Mr. Albert Booth will remark that he did not take office to become Secretary of State for Unemployment. NALGO will insist on a "No redundancies" rule, the London Borough of Camden will discover a pressing need to recruit new administrators to sort out the chaos created by having too many administrators, and the Cabinet will finally decide to give Nye Bevan another spin in his grave by charging for teeth, spectacles, school meals or to raise local rents. They might just as well put up taxes in the first place.

Now there is a false step in logic in this part of the argument; and before I reveal it, and come to the obscene proposal promised in my headline, see if you can spot it.

No? The false logic is the assumption that cutting spending on services means sacking people.

The answer, it might be whispered, could be put as a question:

What about cutting public sector pay?

And if you will give yourself a moment to get used to the idea, we might try shouting it:

WHAT ABOUT CUTTING PUBLIC SECTOR PAY?

Indecent, impossible, inhuman, unfair—and undoubtedly the best available answer to the problem. A cut in real spending with no unemployment, no cut in services, no rise in prices. A modest incentive to move human resources into production.

Cash limits

In unthinkable terms, an across-the-board 10 per cent. pay cut in the public services would achieve almost the whole of the £1½bn. spending economies the Government is seeking. That no doubt would be too much to stomach; but since Mr. Healey says he wants time, the next stage of wage restraint gives the opportunity. Any formula which puts most of the stress of the next phase on productivity would begin to do the trick.

Cash limits, suitably deployed are another powerful weapon. Of course, if public servants wanted to negotiate their own productivity deals, and volunteer the corresponding staff cuts, good luck to them. The result is the same: to reduce the relative money cost of a unit of public service. Unthinkable? When everything we have so far thought of has failed, the unthinkable may be the best answer.

RACING — BY DARE WIGAN

Ripe for John Cherry

JOHN CHERRY, winner of eight races on the flat, including this year's Ladbroke Chester Cup and the SKF Cesarwitch, makes his debut over hurdles in the valuable Garswood Pattern Hurdle at Haydock this afternoon.

H. Thomson-Jones, who trains this exciting prospect for Mr. M. Ritzenberg, appears to have made an ideal choice for his charge. The opposition appears to be negligible.

Provided John Cherry jumps adequately—and he is certain to have been well-schooled—he is unlikely to be extended.

There is the prospect of a good race for the St. Helens Handicap Chase with Junior Partner, Brasidas and Klipspringer running. My idea of the winner is Junior Partner, who missed last season owing to injury. He shaped well following his long absence when third to Glanford Brigg and Vulgan's Trout at Leicester on November 16.

HAYDOCK
1.00—Glenland
1.30—Autumn Rain*
2.00—John Cherry
2.30—Junior Partner***
3.00—Netherton
3.30—Bugle Boy

WINCANTON
12.45—Zellaman**
1.15—Gay Vulgan
2.15—Master Upham
3.15—Gay Kart

WARWICK
2.00—Galloway Edition
2.30—Tartar Rose
3.30—Jackadandy*

With Tony Dickinson's horses finding their form Autumn Rain is likely to go well in the Club Amateur Riders' Handicap Hurdle. Netherton, a useful performer on the flat last season, is a suggestion for Div. II of the Weaverham Hurdle.

The safest bet of the day ought to be Zellaman in the Castle Cary Opportunity Hurdle at Wincanton. A sterling effort carried him into fourth place behind Fisherman's Cot, Young Arthur, and Oranmore in the Black and White Whisky Handicap Hurdle at Ascot last month.

Fulke Walwyn and M. Floyd, the trainer and rider of Zellaman, can compete a double by taking the Cerne Abbas Handicap Chase with Gay Vulgan.

Two other likely winners at the West Country Meeting are Master Upham in the Lord Stabridge Memorial Gold Cup Handicap Chase and Gay Kart in the Stayers Handicap Hurdle.

At Warwick, Fred Winter appears to have a good chance of landing the Cherrington Handicap Hurdle with Tartar Rose and Div. II of the Askett Novices' Hurdle with Jackadandy.

SALEROOM — BY ANTONY THORNCROFT

Renoir again tops prices

COINS from Eton College, and Impressionist pictures and drawings from all over the world, dominated the auctions at Sotheby's yesterday. The top price—as was so often the case in this week of the big Impressionist auctions—was for a Renoir, La Baignade, a drawing in red crayon and white chalk, which was acquired by a foreign buyer for £47,000, just below forecast.

Other high prices were the £29,000 (well above estimate) for Marc Chagall's La Mariée, a gouache of around 1930; £19,000 from Suita Trading of Japan for a Vlaminck, Rue sous la neige; and £16,500 for a Utrillo, Ermitage du Mont-Cindre.

Overseas buyers acquired over 80 per cent. of the lots and the total for the two days of Sotheby's sales was £4,379,340. Impressionists are always an uncertain market, but apart from a few weak sectors yesterday demand was much stronger than the salerooms could have hoped.

Prices were even better at the first day of the sale of (mainly) Roman coins from the collection of Eton College. Eton had acquired the coins over a century ago when the British Museum was disposing of duplicates, and it is selling the bulk of its collection regarded as the best to appear on the market in years, to establish a maintenance fund for its library.

Enthusiastic bidding from foreign dealers brought in a first day total of £92,135, which was £20,000 above the top pre-sale estimate. An Italian private buyer, Serralunga, gave £2,100 (double the estimate) for a cistophorus of Claudius. Brosi paid £2,100 for a gold aureus of Antoninus Pius, and Erikson £1,550 for a similar coin.

Rembrandt etchings were much in demand at Christie's auction of Old Master engravings, etchings and woodcuts which totalled £174,426, with over 90 per cent. sold. The etching of Christ disputing with the doctors made the top price of £7,000, above forecast. It was bought by a London bidder, Fritz-Dennville.

The New York dealer David Tunick paid £5,200 for another Rembrandt, The angel departing from the family of Tobias, while a Rembrandt etching of a landscape with a cottage and a large tree was acquired by Associated American Artists for £4,800.

A Durer engraving of Erasmus went to a Parisian buyer for £4,500, and two more Rembrandt etchings, of a windmill and of a nude man, each made £3,500.

Elsewhere Phillips sold jewels for £83,853 with Dobrick giving £2,300 for a sapphire and diamond bangle; Warwick and Warwick disposed of stamps for £85,125; and the Bonham's auction of watercolours totalled £15,027, with just 7 per cent. unsold. Burnham Beeches by Myles Birket Foster was bought by Pyms for £700.

On Tuesday Sotheby's sold manuscripts from the Phillips collection for £157,630, bringing its total to date from this great library to £3,233,933. The Italian Institute paid £19,000, around twice the forecast, for an early 14th-century manuscript, attributed to Joachim of Fiore, consisting of mystical texts, while two illuminated books of the Grandes Chroniques de France, written around 1400, went to the London dealer King for £16,000.

At Phillips an auction record was established for a postcard. Richard Lobel, the coin dealer, paid £400 for a charity card published in 1903 to celebrate a balloon flight from Manchester.

History of pop on LWT

A £1m. series about the history of pop music will be screened on Independent Television in the New Year. Called All You Need is Love, the 17 one-hour-long shows have taken several years to prepare.

The series was made by Mr. Tony Palmer, a film director. It has been bought by London Weekend Television. The late Mr. Cyril Bennett, former programme controller of London Weekend, was artistic consultant on the programmes.

Each programme in the series, which will use rare archive material and film which has not been shown before, will trace the development of a particular aspect of popular music. Ragtime, vaudeville, blues, protest songs, rock and roll, the Beatles, musicals and heavy rock are included.

NOTICE OF REDEMPTION

To the Holders of

RICHARDSON-MERRELL OVERSEAS FINANCE N.V.

8¾% Guaranteed Debentures Due December 15, 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of December 15, 1970 providing for the above Debentures, $1,528,000 principal amount of said Debentures bearing the following serial numbers have been selected for redemption on December 15, 1976 ($528,000 principal amount through operation of the mandatory Sinking Fund and $1,000,000 principal amount through operation of the optional Sinking Fund) at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date:

DEBENTURES OF $1,000 EACH

M-10	974	2047	3248	4297	5401	6559	7637	8868	10005	11088	12244	13259	14784	16037	17577	18938
11	990	2060	3256	4302	5416	6574	7658	8880	10008	11116	12251	13282	14773	16043	17584	18940
14	991	2086	3288	4313	5430	6578	7659	8883	10022	11118	12261	13295	14787	16044	17766	18945
28	1019	2096	3298	4326	5446	6595	7668	8887	10023	11145	12276	13333	14793	16080	17772	18949
34	1029	2104	3307	4335	5467	6601	7682	8900	10030	11171	12282	13385	14809	16081	17779	18953
57	1035	2106	3314	4353	5478	6605	7689	8903	10051	11174	12285	13374	14822	16094	17784	18958
64	1059	2135	3349	4364	5488	6652	7723	8913	10060	11208	12286	13376	14840	16095	17806	18963
66	1068	2136	3353	4365	5519	6654	7736	8915	10064	11213	12289	13387	14858	16100	17823	18972
80	1076	2160	3356	4380	5520	6662	7758	8918	10103	11224	12297	13431	14869	16101	17831	18988
81	1077	2169	3358	4388	5526	6666	7761	8978	10111	11246	12304	13457	14877	16116	17833	18989
98	1110	2175	3362	4418	5541	6668	7767	8982	10117	11248	12308	13482	14903	16145	17849	19007
120	1123	2197	3384	4435	5543	6677	7773	8987	10118	11256	12313	13484	14913	16162	17850	19015
140	1139	2220	3386	4437	5558	6680	7788	8991	10140	11269	12323	13492	14928	16167	17852	19026
146	1159	2243	3438	4442	5560	6704	7805	9000	10145	11293	12327	13510	14939	16177	17856	19037
147	1165	2245	3441	4451	5563	6742	7828	9021	10148	11296	12331	13526	14975	16184	17864	19056
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
792	1876	3069	4127	5197	6442	7469	8538	9783	10870	12039	13064	14458	15785	17356	18679	[illegible]
807	1879	3109	4128	5209	6468	7483	8540	9795	10921	12042	13065	14487	15787	17357	18707	[illegible]
816	1891	3118	4130	5213	6476	7491	8546	9824	10925	12062	13070	14488	15788	17362	18711	[illegible]
817	1892	3126	4167	5216	6484	7499	8604	9834	10931	12067	13076	14523	15792	17376	18717	[illegible]
842	1900	3149	4181	5235	6492	7513	8621	9841	10939	12073	13079	14524	15805	17379	18714	[illegible]
860	1915	3164	4183	5239	6499	7518	8638	9864	10962	12082	13102	14534	15824	17380	18723	[illegible]
863	1929	3165	4191	5243	6505	7543	8639	9879	10972	12112	13110	14537	15836	17394	18732	19013
867	1930	3166	4203	5244	6511	7546	8671	9896	10979	12131	13117	14566	15844	17399	18804	19019
869	1960	3169	4212	5269	6516	7554	8674	9913	11023	12144	13126	14589	15861	17410	18825	19036
891	1991	3170	4219	5277	6530	7556	8678	9914	11036	12146	13160	14594	15900	17468	18847	19041
913	1993	3182	4228	5302	6531	7561	8681	9916	11042	12149	13177	14637	15905	17489	18857	19047
918	1997	3188	4231	5310	6532	7566	8708	9947	11045	12162	13188	14648	15909	17493	18860	19057
921	2008	3198	4246	5330	6535	7582	8741	9953	11049	12217	13194	14650	15953	17542	18862	19062
928	2026	3206	4252	5336	6541	7590	8742	9959	11059	12226	13202	14666	15962	17552	18888	19080
931	2031	3232	4264	5365	6543	7615	8861	9999	11070	12233	13244	14700	15978	17560	18894	
942	2045	3233	4280	5394	6545	7630	8867	10001	11073	12239	13255	14707	16032	17576	18914	

On December 15, 1976, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, N.Y. 10015, or (b) at the main offices of any of the following: Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London, Paris and Zurich; Banca Morgan Vonwiller S.p.A. in Milan and Rome; Bank Mees & Hope N.V. in Amsterdam; and Kredietbank S.A. Luxembourgeoise in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City or by transfer to a dollar account maintained by the payee with a bank in New York City.

Coupons due December 15, 1976 should be detached and collected in the usual manner.

On and after December 15, 1976 interest shall cease to accrue on the Debentures herein designated for redemption.

RICHARDSON-MERRELL OVERSEAS FINANCE N.V.

Dated: November 9, 1976

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

M-1899 3218 5991 5996 6264 8641 8647 8652 8656 8664 8670 8653 16631

TV/Radio

† Indicates programme in black and white.

BBC 1

9.41 a.m. For Schools, Colleges. 12.25 p.m. On the Move. 12.45 News. 1.00 Pebble Mill. 1.45 Barnaby. 2.14 For Schools, Colleges. 3.53 Regional News (except London). 3.55 Play School. 4.20 Astronaut. 4.25 Jackanory. 4.40 Blue Peter. 5.05 John Craven's Newsround. 5.15 The Oddball Couple.
5.40 News.
5.55 Nationwide.
6.45 To-morrow's World.
7.10 Top of the Pops.
7.40 Sykes.
8.10 Kojak.
9.00 News.
9.25 The Big Time.
10.15 Omnibus.
11.05 To-night.
11.45 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—5.15-5.40 p.m. Bilidowcar. 5.55-6.20 Wales To-day. 6.45-7.10 Heddiw. 10.15-11.05 "... And the Pursuit of Happiness." 11.45 News and Weather for Wales.

Scotland—9.41-10.01 a.m. For Schools: Around Scotland. 5.55-6.20 p.m. Reporting Scotland. 11.45 News and Weather for Scotland.

Northern Ireland—†2.14-2.34 p.m. For Schools: Ulster in Focus. 3.53-3.55 Northern Ireland News. 5.55-6.20 Scene Around Six. 11.05-11.55 Farewell to Ardstraw: The Irish in America. 11.55 News and Weather for Northern Ireland.

England—5.55-6.20 p.m. Look North (Leeds, Manchester, Newcastle); Midlands To-day (Birmingham); Look East (Norwich); Points West (Bristol); South To-day (Southampton); Spotlight South-West (Plymouth).

BBC 2

11.00 a.m. Play School.
7.00 p.m. News on 2 Headlines.
7.05 Your Move.
7.30 Newsday.
8.10 Top Crown.
8.35 The Book Programme.
9.00 The Hollywood Musical: "Show Boat," starring Kathryn Grayson, Ava Gardner and Howard Keel.
10.45 Family Portrait.
11.25 Late News on 2.
11.35 Closedown: Jill Balcon reads "In the Chinese Restaurant" by Iain Crichton Smith.

LONDON

9.30 a.m. Schools Programmes. 12.00 Animal Kwackers. 12.10 p.m. Hickory House. 12.30 Women Alone. 1.00 News plus FT index. 1.20 To-day's Post with Allan Hargreaves. 1.30 Crown Court. 2.00 Good Afternoon. 2.25 South Riding. 3.20 Heart to Heart. 3.50 Emmerdale Farm. 4.20 The Little House on the Prairie. 5.15 Bless This House.
5.45 News.
6.00 To-day.
6.35 Crossroads.
7.00 Thursday Adventure Film: "The Gypsy Moths," starring Burt Lancaster, Deborah Kerr and Gene Hackman.
9.00 The Squirrels.
9.30 This Week.
10.00 News.
10.30 The Crezz.
11.30 Phyllis.
12.00 What the Papers Say.
12.15 a.m. London Scene.
12.25 Close: Julian Battersby reads from the letters of Vincent Van Gogh.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.20 The Romper Room. 4.45 Anita in Jumbleland. 5.15 Black Arrow. 6.00 About Anglia. 6.20 Arena. 7.00 Sez Les. 7.30 Thursday TV Movie: "The Great Ice Rip-Off," starring Lee J. Cobb. 11.30 George Hamilton IV. 12.00 Ski-ing With Gina. 12.30 a.m. The Living Word.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 4.20 Batman. 4.45 Space 1999. 6.00 ATV Today. 7.00 Elmer Fudd Cartoon. 7.15 Thursday Mystery Movie: Columbo. 11.30 Gardening Today. 12.00 Barrie Allcott.

BORDER

†1.20 p.m. Border News. 2.00 Women Only. 4.20 Island of Adventure. 5.15 Spiderman. 6.00 Border News and Lookaround. 7.00 Thursday Film: "Walk, Don't Run" starring Cary Grant and Samantha Eggar. 11.30 Gardening Today. †12.00 Border News Summary.

CHANNEL

†1.20 p.m. Channel Lunchtime News and What's On Where. 4.20 The Count of Monte Cristo. 4.50 Lost in Space. †6.00 Channel News and Weather. †6.10 Woobinda. 7.00 Star Movie: "The Vikings." †10.30 Survival. 11.00 The Dragon Squadron. 11.15 The Crezz. †12.10 a.m. News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 Women Only. 5.15 Wildlife Cinema. 6.00 Grampian Today. 7.00 Feature Film: "Not With My Wife You Don't," starring Tony Curtis, Virna Lisi and George C. Scott. 10.30 Sportscall. 11.30 The Crezz. 12.10 a.m. Evening Prayers.

GRANADA

1.20 p.m. Take Kerr. 2.25 Born Free. 5.10 This Is Your Right with Lord Winstanley. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Cartoon. 6.40 The Adventurer. 7.15 The Thursday Movie: "Brock's Last Case" starring Richard Widmark. 11.00 What The Papers Say. 11.45 Police Surgeon.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.20 The Woody Woodpecker Show. 4.45 Return to the Planet of the Apes. 5.15 Breaktime 5. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Happy Days. 7.00 The Adventure Film: "The Deep Six" starring Alan Ladd. 10.35 Mr. and Mrs. Special—Bride of the Year. 11.35 The Thursday Mystery Movie: McMillan and Wife.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20 Miri Mawr. 4.35-4.45 Seren Wib. 6.00-6.15 Y Dydd. 6.30-7.00 Sports Arena. 10.35 Our American Dream. 11.20 The Saint.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Sport West.

SCOTTISH

1.25 p.m. Road and Weather Report. 2.00 Women Only. 4.20 Tarzan. 5.15 Callimero. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 The Thursday Adventure Film: "Stagecoach," starring Bing Crosby. 11.30 Late Call. 11.35 Moneywise.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 4.20 Betty Boop. 4.25 The Wild Wild West. 5.20 Crossroads. 6.00 Day by Day. 6.30 University Challenge. 7.00 "Harry Black and the Tiger." 11.30 Southern News Extra. 11.40 Chopper One.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. North East News and Lookaround. 2.00 Women Only. 2.25 Born Free. 4.20 Cartoon Time. †4.30 The Thursday Film: "The Flying Deuces," starring Stan Laurel and Oliver Hardy. 6.00 Northern Life. 7.00 The Thursday Adventure Film: "Walk Don't Run," starring Samantha Eggar and Cary Grant. 10.30 The Protectors. 11.00 Access. 11.30 The Mary Tyler Moore Show. 12.00 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 3.45 Ulster News Headlines. 4.20 Woobinda. 4.45 Castaway. 5.15 Here's Lucy. 6.00 UTV Reports. 7.00 Emergency. 8.00 The Crezz. 10.30 Countryscene—Kilkeel, Co. Down. 11.15 What's It All About.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.20 The Count of Monte Cristo. 4.50 Lost in Space. 6.00 Westward Diary. 7.00 Star Movie: "The Vikings," starring Kirk Douglas and Tony Curtis. 10.30 Westward Report. 11.15 Westward Late News. 11.18 The Crezz. 12.10 a.m. Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 2.25 The Company Men. 4.20 Cartoon Time. †4.30 "The Flying Deuces," starring Stan Laurel and Oliver Hardy. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 The Thursday Adventure Film: "Walk, Don't Run," starring Cary Grant. 11.30 Pro-Celebrity Snooker.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Simon Bates. 12.00 Paul Burnett, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's DLT OK! 5.45 Newsbeat. 6.02 John Dunn (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Paddy O'Byrne (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin, 8.45 Pause for Thought. 9.02-11.30 Harry Carpenter's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland). 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Two by Two. 7.30 David Allan's Country Club (S). 9.02 Folkweave (S). 10.02 Sports Desk. 10.05 Syd Lawrence and his Orchestra (S). 11.02 Jean Challis with The Late Show (1500m only; also 202m Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Schutz (S). 9.45 Music for Violin (S). 10.20 Masters of the Lied (S). 11.00 Scottish National Orchestra, part 1: Copland, Gershwin (S). 11.55 Words . . . 12.00 Concert, part 2: Menotti, Bernstein (S). 1.00 p.m. News. 1.05 Bradford Mid-day Concert. 2.00 BBC Scottish Symphony Orchestra: Elgar, Delius, Butterworth (S). 3.15 Gregg Smith Singers, part 1 (S). 3.55 In Short. 4.05 Gregg Smith Singers, part 2 (S). 4.50 Mozart Piano Sonatas (S). 5.25 Recorder Sounds (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: The Wider World. 7.30 Collectors' Corner: Mendelssohn Piano Music. 8.00 Barenboim Conducts the LPO, part 1: Elgar, Bruch (S). 8.45 Austerlitz Revisited (talk). 9.05 Concert, part 2: Dvorak (S). 9.50 Drama Now (S). 11.25-11.30 News.

RADIO 4 — 434m, 330m, 285m and VHF

‡ Medium Wave only

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today. 7.00 News and more of Today including Sports News, Today's Papers, and 7.25 Regional News (VHF). 7.45 Thought for the Day. 8.00 News and more of Today including 8.25 Regional News (VHF). 8.45 Yesterday in Parliament. 9.00 News. ‡9.05 These You Have Loved. ‡10.00 News. ‡10.05 From Our Own Correspondent. 10.30 Daily Service. ‡10.45 Morning Story. 11.00 News. ‡11.05 Time for Action. ‡11.50 Out of the Corner of My Eye. 12.00 News. 12.02 p.m. You and Yours. 12.27 My Word! (S). ‡12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (‡ from 2.00) including 2.00-2.02 News. ‡2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 3.50 Jack de Manio Precisely including 4.00-4.05 News. 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report, VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 Top of the Form. 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 Any Answers? 8.00 The Monster of Rugeley. 8.45 Analysis: The Arab Outlook (1) the Confrontation States. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

For Schools (VHF only) 9.05 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Nick Lucy with Rush Hour. 9.00 Carry on Councillor. 9.20 John Toogood with London Live. 11.03 Jenny Thompson and Diana Rice with In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Tony Fish with Home Run, including London News Desk. 6.00 Look, Stop, Listen. 7.30 Jenny Thompson and Diana Rice with In Town (as 11.03 a.m.). 8.30 Soul 77. 10.03 Late Night London. 12.00 Closedown—As Radio 2.

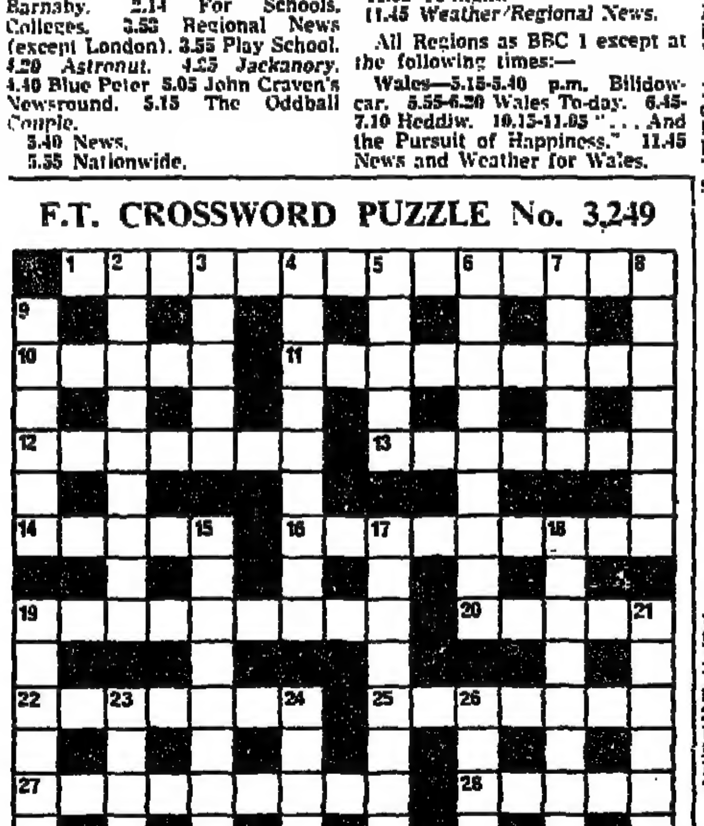
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 5.00 Newsbreak. 8.00 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour through the night.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. Graham Dene—the breakfast show. 9.00 Michael Aspel. 12.00 Dave Cash—Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It—Capital's heavy rock show. 11.00 Tony Myatt—The Late Show. 2.00-6.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,249



ACROSS

1 Ironed things out temporarily while in a hurry (7, 3, 4)
10 More boring part of hair-do (5)
11 Delighted at first stage appearance by daughter (9)
12 VIP lacking talent (7)
13 Hurling champion gets Scots leader to delay departure (7)
14 Odds on gear fitting one branch of the family (5)
16 Honour attendant at beginning of book (5, 4)
19 Strangler operating the accelerator? (9)
20 Organisation leading 6-3 (3-2)
22 Walter's become a good-for-nothing (7)
25 Member of family has lost right to high spirits (7)
27 Station broadcaster explaining training arrangements (9)
28 Georgia takes enormous Cockney measure (5)
29 State of affairs disclosed by relief map (3, 3, 4, 4)

DOWN

2 Site error put right by merry-maker (9)
3 Keep quiet over massage obtained in the Bush (5)
4 Part taken by a student of the powers of nature (9)
5 Goddesses appearing at garden parties we hear (5)
6 Facility to study one Scots loch (9)
7 Disguised in part of machine (5)
8 Confirm that object rose awkwardly (7)
9 Fuss Northern Ireland's making of beau (6)
15 Experience to discuss in detail (2, 7)
17 Number do a smooth job in club (5, 4)
18 A West-end salute to quality (8)
19 Course by water it's a drag for a horse (7)
21 Layer who may be up the pole . . . (6)
23 . . . is upset over novel strength (5)
24 Behold state of pub (5)
26 Financial backer for theatre in part of London (5)

SOLUTION TO PUZZLE No. 3,248

Across: SANDPIPER, BLOOM, PUMPS, TOPSLIMERS, RUMCOUNTER, GAIL, RATAFIA, SACKSUIT, MIRACLE, APOSTLE, NOOK, WATERGLASS, RACINGSET, ALIEN, EARTH, SERGEANTS

هكذا من الأصل

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM (01-836 3161) ENGLISH NATIONAL OPERA. Tonight and Tomor 7.30 La Belle Helene. Sat. and Tue 7.00 Der Rosenkavalier. Wed. 8.00 A Night in Venice.

THEATRES

ELLE et LUI 01-437 2661. Walker's Court, Brewer Street, W.1. NIGHTLY 8.15 and 10.15. PAUL RAYMOND presents PENETRATION.

THEATRES

OLD VIC. 01-928 7616. Evenings at 7.30. Thurs., Sat. 5.10 and 8.30. THE GHOST TRAIN "A THUNDERING SUCCESS." Daily Express.

THE ENTERTAINMENT GUIDE IS CONTINUED ON PAGE 38

Festival Hall

Lazar Berman

by DOMINIC GILL

The belated British debut of the Russian pianist Lazar Berman on Tuesday evening, at the age of 46, and at the height of a distinguished career pursued until now entirely within the Soviet bloc, will certainly be written down as one of the odder quirks of Anglo-Soviet musical history. We have heard enough of him now on record, since the Berman-boom began a year or so ago, to know that he has a virtuoso technique of the very highest order, and that he is a spectacular, if not always a very subtle or poetical, exponent of the better-known warhorses of the romantic repertory. His account on Tuesday of Rakhmaninov's third concerto with the LSO under Claudio Abbado confirmed that view; but whether it justified any of the wilder claims made by the horrible publicity industry on his behalf—that Berman is, for example, the greatest Soviet discovery since Gilels or Richter—was a question still left very much open to doubt.

Technically—or at least in part technically: for technique does not finish with dexterity alone—it was a brilliant and often very exciting performance. It is always impressive to hear chains of blitz-octaves and chords thrown off with the ease, nonchalance and eye-blinking speed with which Berman unfailingly threw them; it is always stirring in its way to hear a pianist who can play as accurately, and at the same time as loudly, as Berman can—and who can make a real *pianissimo leggiero* speak clearly, as he did once or twice to spine-tingling effect, above the rustle of a busy orchestral texture.

It was on one level such a fine performance—an intelligent and honest display of extraordinary virtuosity, scrupulously faithful on the surface of the music (except for a silly cut in the finale) to Rakhmaninov's score—that the similarly powerful absence on another level of still more important qualities was all the more disturbing. Difficult to define them: a certain living germ, an essence of vivaciousness and spontaneity of deep subterranean current; a lack not of force, but of manic grandeur: Rakhmaninovian breadth and breath in the phrasing—in the last analysis, that indefinable, alchemical Rakhmaninovian blend of proud innocence and melancholy ardour. (The composer's own recorded performance, or Horowitz's, still more supercharged, explosive, both point instantly, where words fail, to the missing quality.)

Other details also: the very rugged, untextured nature of Berman's sound, its careless voicing—by the lights of Gilels or Richter, high-class but essentially careless pianism. The inner nonchalance and reserve of the playing within an exterior frame of such massiveness and monumental control: strangest effect. The brutal sound of the biggest fortissimos, an enormous, but to my ears lifeless, timbre: in the cadenza of the first movement a sonority which went right through the tone of the instrument with almost every percussion of the keys for two pages of the score. The last minutes of the finale were magnificent: in electric communion with Abbado, Berman struck sparks from the music in a way which called on (yet never seemed likely to exhaust) every one of his astonishing physical reserves. A puzzling performance, which left a great number of questions unanswered: perhaps feelings will be clearer next Sunday, when Berman plays a solo recital of Prokofiev and Liszt at the Festival Hall.

Book Reviewsr are on Page 31

Goldsmiths' Hall

Andras Schiff

by PAUL GRIFFITHS

The hall of the Worshipful Company of Goldsmiths is a most magnificent room for music, but there is the danger that the impressive ambience will impose itself too much and jar with what is being heard. Polychrome stucco, gilt and red velvet, long mirrors and square marble pillars might profitably accompany a cantata of the high Baroque; for piano music by Beethoven and Schumann on Tuesday evening they seemed too grand and public, even in a private recital of the City Music Society.

But perhaps this is to be excessively fanciful. The reason for a certain disappointment in the second half of Andras Schiff's performance, when he played the Beethoven G major Sonata op. 14 no. 2 and Schumann's *Etudes symphoniques*, may be found rather in his style than in the furnishings. He is a pianist of pleasant, agreeable tone, but that tone was too steady and unvaried for the younger Beethoven or, still more so, for a big work by Schumann. There was a great deal to admire in his sense of proportion, which gave shape to phrases and to whole movements, but a livelier imagination might have turned decent performances into exceptional ones.

In his playing of Bach, however, there was no cause for complaint, except perhaps from those who would object to Bach being performed on the piano at all. Of course, the modern piano is very far indeed from the instruments for which Bach composed, but Schiff was sufficiently sensitive to the music to make it work. Only very rarely, in the spread chords of the Overture in the B minor Partita for instance, was he defeated by material which can only sound right on a period instrument. Otherwise he offered a fully realised view of Bach in piano terms, keeping enough in reserve to hold attention through two dance sequences, the French Suite No. 5 as well as the Partita.

He did this not by using the obvious ploy of making the piano sound as much as possible like a harpsichord, but by concentrating on what the piano can do well. In the Sarabandes of the two works, to cite his most successful re-creations, he made the melodic line fluent and gently expressive, holding it in an even tempo and a clear, pastel texture. Faster movements, on the other hand, found him emphasising rhythmic character and momentum, but not so far as to make the music seem merely quirky or excitable. This was Bach in the hands of a refined, careful and, above all, feeling musician.

Bush Theatre

The Fosdyke Saga

by MICHAEL COVENEY

This is proving a memorable week for small shows with everything. While Ken Campbell battles away with the Illuminati in a Liverpool attic, Alan Plater brings to glorious three dimensional life the characters and inflections of the Fosdykes, long-running habitués of the Daily Mirror. Cartoonist Bill Tidy's endless tale of north country folk is here restricted to the last years of this century's second decade. That means the growth of the tripe industry and the First World War.

In the Lancashire land of pits and grime, L. S. Lowry and Adrian Mitchell's dad, Josiah Fosdyke leads his wife, sons and virginal daughter to lower middle class prosperity in the shadow of the gullible bosses, represented by one actor, Philip Jackson. Mr. Jackson plays the parts of tripe magnate Ben Ditchley; his lusty son Roger; a newspaper man; a prison warder; King George V; Emily O'Malley (a powerful Liverpudlian pugilist); Schmidt, the Teutonic sausage dealer and fighter-pilot, Baron von Richtoven; and the Salford Ripper.

The whole brilliant entertainment is guided from the piano by Fosdyke's second son (Kevin Elyot) and vigorously encompasses elements of Bulldog Drummond, concert party and Punch and Judy. Constant throughout is a healthy sense of literate parody ("Leeds hath not anything to show more fair . . .") and spoof patriotism—the family anthem of "Fosdykes Arise" is a slow hymn deftly encapsulating the phenomenon of a nation of shop-keepers in the wake of the Industrial Revolution. Mike Bradwell, founder of Hull Truck, supplies the impeccable, detailed direction and, in addition to those mentioned, Roger Sloman, Jane Wood, Malcolm Ransom and Penelope Nice all join in proclaiming the arrival of a sparkling, beautifully scaled show that should be with us in some form or another for a very long time.

Shell Music Scholarship

Shell U.K. Oil yesterday announced a National Music Scholarship for young instrumentalists. Valued at more than £3,000, their aim is to discover and encourage outstanding young talent and to administer the prize fund in the "best interests of the winner's artistic development." It is also designed to provide practical support up to the point of his or her entering the profession.

In association with the London Symphony Orchestra and the Guildhall School of Music and Drama, the first competition for flute, oboe, clarinet, bassoon and horn players will be held in three stages during presentations to area and national finalists will be made at a series of concerts given by the LSO throughout the country on a tour sponsored by Shell U.K. Oil. Although the age range will be from 14 to 20 years, outstanding young players under the age of 14 may apply and will be eligible for any prize other than the first for practical schooling reasons. It is proposed to hold the final with the Guildhall School Chamber Orchestra in their new premises at the Barbican.

The orchestra's principal conductor, Andre Previn, will be chairman of the National Final judging panel, and other members will include Allen Percival, Principal of the Guildhall School of Music and Drama, Gerald McDonald, the Administrator of the scholarship competition, and principal players of the LSO who will, with local adjudicators, conduct local auditions throughout the country.

Requests for fuller details of the competition and for application forms should be sent to Gerald McDonald, Administrator, Shell-London Symphony Orchestra Musical Scholarship, LSO, Regent Arcade House, 19-25 Argyll Street, London W1V 2LN. There is no entrance fee and the closing date for applications is January 14, 1977.

D. P.

Two of Philip Prowse's costume designs for Covent Garden's new production of Strauss's 'Ariadne auf Naxos,' which opens on Monday, December 6. Zerbinetta on the left, the Tenor on the right

Record review

Garden, jungle and river

by ANTHONY CURTIS

The Secret Garden by Frances Hodgson Burnett read by Glenda Jackson. Argo ZSW 543/6 £10.00. Cassette K4 J15 £8.95

The Secret Garden by Frances Hodgson Burnett read by Claire Bloom: Caedmon TC 1463 £3.45. Cassette CDL 51463 £4.75

The Glenda Jackson Story Book Vol. 2. Argo ZSW 560 £2.50

Hans Christian Andersen: His Poems and the Story of his Life told by Siobhan McKenna. Caedmon TC 1366 £3.45. Cassette CDL 51366 £4.75

Little Women by Louisa M. Alcott. Three excerpts read by Julie Harris. Caedmon TC 1470 £3.45. Cassette CDL 51470 £4.75

Kipling: More Jungle Stories read by Ian Richardson. Argo ZSW 528/30 £7.50. Cassette K3 K36 £8.25

The Goshawk by T. H. White read by Duncan Carse. Argo ZSW 555 £2.50

Tom Sawyer by Mark Twain read by Bing Crosby. Argo ZSW 561/3 £7.50. Cassette K3 K34 £8.25

People who have been disappointed by Glenda Jackson's performance as Sarah Bernhardt in the movie should turn for consolation to her four LPs of a work as indigenous as Yorkshire pudding, her recording of Frances Hodgson Burnett's novel *The Secret Garden*. Although strictly speaking it is an abridged version, it seems in its slow cumulative magic as if we are hearing the entire book.

Miss Jackson reads superbly. She establishes at the start a tone of cosseted imperiousness for the orphaned heroine Mary Lennox, softly nurtured in British India until after the death of both parents in a cholera epidemic, then transplanted to mist-shrouded mournful Misselthwaite Manor. Miss Jackson gradually adds warmth and eagerness as Mistress Mary's natural curiosity about the other inhabitants of the house, particularly about Colin the so-called cripple, forces her out of her isolation, as through her discovery of the secret garden she sets in train the process of healing and reconciliation between the estranged father and son.

It is her contact with the hard-hitting local people, the servants at the Manor and the gardener, that works the change in her. Miss Jackson gets her tongue round their broad Yorkshire vowels with relish. These folk become just as real, if not more so, as the gentle-voiced boy and girl at the centre. Harley Usill, the producer, has introduced discreet musical and sound effects by Kenny Clayton to underline some of the climaxes in the narrative. Undoutedly this set is a long haul but an utterly absorbing one. And no-one is going to be so foolish as to listen to it all in one go. My wife and I rationed ourselves to a side a night and we could hardly wait to finish dinner to switch on.

The alternative disc from Caedmon with Claire Bloom does, I fear, suffer by comparison. This is even more abridged being all contained on one LP, and you just cannot convey the modulating rhythm of the book in so selective a fashion. But apart from that Claire Bloom does not seem to be fully relating to the characters.

An unfortunate tone of reading a story to the little ones before bed-time creeps into her voice: which is fatal.

For a single record which really might hold very young ones in thrall I turn to *The Glenda Jackson Story Book Vol. 2* which contains three different items very simply and straightforwardly read. These are "The Frog Prince," "The Story of Joseph" and "The Emperor's New Clothes." How nice to hear the latter in its original form for a change and not either sung by Danny Kaye or quoted by political commentators. It is still a very good story.

Hans Andersen, its author, also wrote a great many poems. Murray Brown has linked a selection of these to a mini-biography of the Danish writer in *Hans Christian Andersen: His poems and the story of his life* which is read by Siobhan McKenna with plangent melancholy: the unfamiliar material sheds a new light on Andersen, but I found it all just a bit cloying.

Male chauvinism aside I just don't think it is fair for a member of my sex to pass judgment on a recording of that feminine book par excellence, *Little Women*. May I then merely put on record (no pun intended) the fact that the American actress Julie Harris speaks three extracts from Louisa May Alcott's classic, "A Merry Christmas" (the play-acting bit), "Gossip" and "The First Wedding," and that the social attitudes inherent in them seemed to me to be infinitely more remote than those in, say, the treasures of Pompeii.

The latest Kipling album from Argo, *More Jungle Book Stories* read by Ian Richardson, might be somewhat unwieldy to fit into a boy's Christmas stocking but should otherwise prove highly acceptable. This contains three records each of which tells a single story, "Red Dog," "Rikki-Tikki-Tavi" and "The King's Ankus." Kipling never wrote anything more powerful than the latter which Mr. Richardson reads in a way that seems to me to be just right: both precise, pedantic almost, and yet fiercely, authoritatively compelling. He dwells magnificently over the famous description of the Hoard of treasure in the Cold Lair and he manages a truly appalling voice for the White Cobra, its guardian. His impersonation of the other inhabitants of the jungle who crop up, pythons, mongooses, wolves, dholes, rats, displays a fearsome vocal range. Clearly these stories were meant to be told even more than read.

T. H. White was, I suppose, a sort of latter-day Kipling. Certainly no-one since Kipling has been so adept at describing the battle of wills between a human being and a wildlife creature as the two become locked in a long struggle for mastery out of which a kind of partnership based on affection and respect will perhaps emerge. Such a struggle was the theme of *The Goshawk* which Duncan Carse reads on a single record. He brings out strongly all the technicalities of the falcon's long frustrating training sessions while finding a hearty intimacy for White's philosophical utterances.

Finally, the voice of Ole Man River from Bing Crosby. Not in song this time but reading in a relaxed lazy drawl practically the whole of *Tom Sawyer* with some authentic harmonica, guitar and banjo music to frame it. Bing's cool, genial speaking voice has a lovely lilting swing, and he finishes the whole testing course effortlessly under par.

Square One

In the Boom Boom Room

by B. A. YOUNG

David Rabe's work wins awards regularly in New York but has been unplayed in London until now. *In the Boom Boom Room* is his latest play. Its ambience is so intransigently American that one can see why managements might consider it of minority interest. (Also it takes a company of at least 12.) But it is a moving piece, and some company that caters for minorities—say the National Theatre—might have let us see it. However, we have an effective production by the able American Repertory Company in their make-do cellar under a pub at 254 Edgware Road, the last production of their season and possibly the last at Square One.

Big Tom's Boom Boom Room is a bar in Philadelphia where Chrissy (Jane Hallaren) works as a go-go girl. Chrissy's life and time are illustrated by a series of individual encounters — with her parents, her square, wet boyfriend Eric, her gay neighbour Guy, a tough gaolbird truck-driver, Al, and his acidhead friend Ralphie, Susan, a bisexual fellow-danseuse at the Boom Boom Room. There is no interaction between any of these contacts, save for Al and Ralphie, who begin with a sort of double-act rape, and her father and mother.

Jane Hallaren

Through these encounters we build up a jigsaw of Chrissy. She is terribly simple, and her ambitions, desperately proclaimed in the fine scene that ends Act One, are simple too: she wants to be a really great go-go dancer, and she wants to have a lasting relationship with a man. "And all I end up with," she blazes at the well-meaning Guy, "is a faggot in a bunny suit."

Jane Hallaren gives a most touching performance as Chrissy, a little skinny girl with bright eyes in a monkey face. (I doubt if even a go-go dancer would stand so consistently with her toes turned in, though). There is no room for subtlety in her playing, for subtlety isn't one of Chrissy's things; she meets her near-rape, her break with Eric, her enquiry into the possibility of having experienced childhood incest, with the same flat, toneless voice, that varies in pitch but never in understanding.

There is good acting too from Susan the other dancer (Robyn Goodman), Al (Paul Geier), Eric (Tom Kleh), and especially from Mom and Pop (Jill Ingham and Manning Redwood), a pathetic couple who are drifting into senility without even much ability to communicate with each other.

I strongly recommend a visit to Square One, which may have to close by Christmas when funds will be exhausted.

Sadler's Wells Theatre

London Contemporary Dance Theatre

by CLEMENT CRISP

A work new to London opened the Contemporary Dance Theatre's season at Sadler's Wells on Tuesday—Robert Cohan's *Nymphéas*. The inspiration behind the piece is the series of water lily paintings that obsessed Monet during the latter years of his life, notably the great sequence of panels housed in the *Orangerie*. Their radiant colours are dappled on the leotards worn by the dozen members of the cast, and Norberto Chiesa's set is a simple white wall, divided half-way up to provide a second level on which Cohan can manoeuvre his dancers.

For music Cohan has turned to Debussy's piano writings: some preludes, the first arabesque, *La plus que lente* waltz, *Pagodes*, and the sickly *Clair de lune*, and these are acceptably played by Alberto Portugheis. The choreographic text is made up of solos, group work, duets, which insist, not surprisingly, upon a sinuous, undulating manner, and the ballet is an efficient introduction to the company. But despite the Monet/Debussy pairing, it does not seem to me to add anything to either creator's vision of the world, nor explain the fascination of shifting light in paint or sound.

Its best moments are in a duet for Robert North and Linda Gibbs, tender and delicately shaped.

The two other pieces in the programme were established favourites. Siobhan Davies' *Diary* is a series of danced entries, clean in texture and unmannered in expression, that chart her feelings during the summer of 1975. It is attractive, succinct, dances drawn with a fine and sensitive line. Robert North's *Troy Game* is one of the best show-cases for male dancing that I know, agreeably jokey about muscles, but serious in recording how the muscles must be made to work. In a strong cast—LCDT has no trouble in fielding a sextet of talented men—North himself is quite exceptional.

His style is big, creamy-smooth, and powerful; it has a remarkable variety of pulse and a broad flow to its phrasing—whole sequences of dancing are given added fascination by what seems a natural physical *rubato*—and alone in the company he understands the importance of *épaulement*. It is a flaw I find in LCDT dancers that arms and shoulders are often dull and uninflected: in North's dancing we can see them fully and sensitively used.

Elizabeth Hall

Juilliard Quartet

by MAX LOPPERT

A programme that combines Schubert's Quartet in G (Op. 161, D.887), the Bartok Fourth, and Mozart's A major, K.464, brings an evening of musical richness hard to equal. To add to its pleasure, the string quartet was the Juilliard, fine-nerved, athletic and intensely sensitive as few other groups to-day. If, in the event, the evening seemed a little slow to reveal its splendour, that might be because in the Mozart, the sharpness and liveliness of the ensemble was perhaps insufficient compensation for tone not yet smooth or settled in—the bow of the leader, Robert Mann, tended to add a jumpy note to music distinguished above all by its impeccable seamlessness.

The Bartok quartet immediately electrified attention. The music retains all its original strength, excitement, and bold, brilliant colour in the Juilliard performance—despite the major changes in quartet personnel since those unforgettable recordings of the six quartets were made, the present group still masters the style, jagged but never too violent, fleet but never too self-conscious, to perfection. The first of the two scherzos flickered and dazzled, as light of foot (in its way) as a Mendelssohn fairy scherzo. A broken cello string at the close of the penultimate movement failed to dampen the vitality.

Schubert's extraordinary quartet in G (major/minor, as the programme, well-filled with Hugh Wood's characteristically thoughtful programme notes, rightly gives it) was played with all the wintry fury that the keenly chiselled edge of the Juilliard tone makes possible. A want of pathos in the second movement could perhaps be explained by the failure of the excellent cellist first, then the others who take up his quizzically sad "folk song," to invest at least part of its phrasing with romantic portamento. Romance, is, it seems, a style, a feeling, a spirit generally eschewed by the group; for most of the Schubert, as wide-ranging, heart- and mind-wrenching modulations were seized on and explored with tremendous dramatic appetite, it was little missed.

Rumor in Lockheed inquiry

BY ANTHONY ROBINSON

ROME, Dec. 1.

AFTER MONTHS of delay, the Parliamentary Commission of Inquiry set up to investigate the Italian end of the Lockheed scandal, has decided to extend the investigations to former Prime Minister, Sig. Mariano Rumor. He was Prime Minister between 1969 and 1971, when negotiations took place for the sale of Hercules transport aircraft to the Italian Air Force.

According to the voluminous documentation collected by the U.S. Senate investigation into the global activities of Lockheed, these negotiations were accompanied by a series of payments to politicians and others. The Commission particularly wants to question Sig. Rumor on the scope of a personal meeting he had with top Lockheed officials, and the significance of other written evidence involving a prime minister code-named "antelope cobbler" in the negotiations.

Two other politicians are also under investigation by the Commission. They are former Defence Ministers, Sig. Mario Tanassi, and Sig. Luigi Gui. The original judicial investigation also implicated the former chairman of the IRI Finmeccanica group, Sig. Camillo Crociani, and the chief of the Air Force, Gen. Tullio Fanali. But this had to be suspended when the investigations pointed out the involvement of politicians. This obliged the ordinary magistrates to hand over the investigation to the Parliamentary Commission.

The Commission now has to decide whether the evidence against these men is sufficient to propose the waiving of their parliamentary immunity, so that they can stand trial. But this is likely to take many months, if indeed it gets that far. The Christian Democrat members of the Commission, in particular, have been fighting a rear-guard action to avoid incrimination on the basis of what they see as inconclusive and insufficient evidence.

Turkish defence spending will increase by 30%

BY METIN MUNIR

TURKEY'S defence spending will increase by 30 per cent. and total 42.5bn. Turkish lira (£1.6bn.) in the 1977 budget unveiled here to-day by Finance Minister, Mr. Yilmaz Ergenekon, an unprecedentedly high total.

Defence spending has geen growing at a high rate since the 1974 war in Cyprus, which led to a deterioration of relations with Greece and an embargo on arms supplies from the U.S., Turkey's principal arms supplier. The Government is keen both to develop a home-based armaments industry, and to make extensive arms purchases abroad. Negotiations are under way for the purchase of DM1.5bn. worth of arms from West Germany, including tanks and missiles.

The budget calls for a total spending of 220bn. Turkish lira (£8.3bn.) or 43 per cent. more than the previous budgetery expenditure, said by Mr. Ergenekon to be the highest growth recorded. Of this, 29 per cent. will go toward investment expenditures (63.8bn. lira) and the rest to current (94.6bn. lira) and transfer expenditures (61.6bn. lira). Mr. Erenekon said that the ratio allocated to investments under the new budget is an all-time high.

The budget has been the subject of controversy between Prime Minister Mr. Suleyman Demirel and his chief coalition ally, Mr. Necmettin Erbakan, of the pro-Islamic National Salvation Party. Under Mr. Erbakan's pressure, late additions of about L15bn. (nearly £600m.) were made, generally for ministries controlled by Mr. Erbakan's party, and in principle to the Ministry of Industry and Technology. Otherwise, Mr. Erbakan would not have signed the budget, thus creating a crisis which could have led to the disintegration of the coalition.

This last-minute expansion of the budget is considered by economists to be unrealistic, as it does not correspond to revenues and borrowing. According to Mr. Eregenekon, there will be a deficit of L18bn. (about £700m.), which will be met by domestic borrowing. The state would make investments totalling L135bn. (£5bn.) in 1977, another record sum.

Mr. Ergenekon said that, in 1977, Turkey expected to make $2.5bn. from exports, and to spend $5.8bn. on imports. Workers' remittances from abroad of $1.1bn., and $1.2bn. of invisible earnings were anticipated as well as $242m. in foreign credits, $50m. in foreign private capital investments, and $250m. in project credits.

Kohl and Strauss are still talking

BY ADRIAN DICKS

BONN, Dec. 1.

UNABLE to make up their differences, yet apparently still unwilling to make their divorce final, the leaders of the two West German opposition parties, Herr Helmut Kohl and Herr Franz-Josef Strauss, held five hours of talks behind closed doors to-day and agreed to meet again on Friday.

There was no sign atfer to-day's long session, in which each man was accompanied by his senior party colleagues, that Herr Strauss's Bavarian-based Christian Social Union (CSU) was ready to go back on its decision to work as a separate parliamentary group from the Christian Democrat Union (CDU) headed by Herr Kohl.

Herr Kohl himself received a vote of confidence from his own CDU followers when they elected him overwhelmingly (though not quite unanimously) as leader of the parliamentary party during the next Bundestag session, which begins in the middle of this month. But he would say nothing about to-day's talks with Herr Strauss beyond the fact that they had been "open, candid and at times tough."

Another participant in the talks, Herr Richard Stuecklen, the former CSU leader in the Bundestag, made clear that Herr Kohl was still furious over the manner of the CSU parliamentary group's shock decision 12 days ago to end its 27-year partnership with the CDU: Herr Kohl was not informed until afterwards.

Relations between Herr Kohl and Herr Strauss also appeared to have been damaged beyond repair by the scornful remarks by Herr Strauss about his former ally made to a private CSU party gathering but reprinted at length in the magazine Der Spiegel this week. Herr Strauss has protested at this but has not troubled to dispel the impression that he meant exactly what he said when he accused Herr Kohl of weakness and vacillation.

Observers here see little improvement in the chances of survival of the traditional CDU-CSU parliamentary joint group, in spite of the reluctance of both sides to appear responsible for the final break.

Herr Strauss, however, seems to have used the past few days to better advantage, rallying behind him many of the doubtful in the CSU ranks who reacted unfavourably to the original decision.

Herr Kohl, after counter-attacking last week with his threat to found a regional CDU party in Bavaria in rivalry to the CSU, has been content to play a waiting game and has been rewarded with a high degree of support from the opinion polls.

U.S. and Soviet traders ask for repeal of law

MOSCOW, Dec. 1

MORE THAN 400 U.S. businessmen and Soviet trade officials called yesterday for repeal of the U.S. trade law which restricts credit and tariff concessions to the Soviet Union. At the end of a two-day annual meeting of the U.S.-USSR Trade and Economic Council members adopted a resolution which conforms to the Soviet position that the 1974 law is "discriminatory."

The action follows Communist Party leader Mr. Leonid Brezhnev's strong public appeal on Tuesday when he received U.S. Treasury Secretary, Mr. William Simon, and Council members in the Kremlin.

During the Council meeting, Soviet officials frequently urged the U.S. businessmen to carry the case for repeal to Washington. Although no specific references to the incoming Carter administration were made, it was clear that the USSR is placing high expectations on Mr. Carter to give a lift to sagging trade relations. The U.S. delegation was told that nearly $2bn. in Soviet business has been lost over the past two years, because of U.S. Government financing restrictions and a failure to grant the USSR most favoured nation status. The legislation requires the USSR to loosen their emigration restrictions, primarily affecting Soviet Jews, in exchange for greater business concessions. At no time during the meeting did either Soviet or American representatives mention directly the emigration issue.

Members of the Council, an organisation founded with the blessing of President Nixon in 1973, also decided to explore new forms of economic co-operation."

Poland will go on importing

Polish Party leader Mr. Edward Gierek, told a central committee plenary meeting yesterday that additional imports can ease but not solve the problem of Poland's economic tensions. He blamed "the high rate of social and economic changes" for the country's difficulties, UPI reports from Warsaw.

"The price of stagnation and backwardness, as we know from the past, would have been much higher," he added. Mr. Gierek has drawn credits from the west to modernise industry. Poland's debts to hard-currency areas are now estimated at $7bn. Mr. Gierek said that three poor years in agriculture, recession in the West, and an unchanged structure of prices since 1970 had added to the difficulties. Poland's imports of grains and fodder amounted to 8m. tons this year, costing the country $1.5bn., an unprecedented total.

Dutch wage talks

Dutch employers and trade unions have failed to reach agreement on a central wage pact for 1977, despite a late intervention from the Minister of Social Affairs, whose compromise proposals were rejected by both sides, Michael van Os writes from Amsterdam. Wage negotiations will now start before the end of the year for each sector of industry, with the large metal industry and the building industry first in line.

Austrian tax rise

The Socialist majority in the Austrian Parliament has pushed through a series of tax levy and price increases which, according to Professor Stephan Koren, the former Finance Minister, will cost the taxpayer more than Sch. 10bn. (about £290m.) a year, Paul Lendvai writes from Vienna.

Speculation persists meanwhile that the present wave of tax and price increases will be followed by a new road tax and special levies to finance hospital construction and water projects.

Vienna replied

AUSTRIA yesterday replied to a Yugoslav diplomatic note accusing it of flagrantly violating treaty obligations in its policy towards minority nationalities, but no details were immediately available on the note, Reuter reports from Vienna. Belgrade's protest had criticised Austria's nation-wide language census to determine the extent special consideration should be given to the country's Slav minorities.

Swiss police

The Swiss Government said yesterday that it is planning to create a federal police to face the increasing danger of terrorism, UPI reports from Berne. The new police, which would be composed of 200 men, would cost annually Sw.Frs.3-5m. Switzerland has never had a federal police agency, only a state police in each canton.

Giscard warns

French President M. Valery Giscard d'Estaing yesterday warned the oil-producing countries that the economies of Western industrial nations could not withstand heavy oil-price increases, Reuter reports from Paris. He said it was thanks to the North-South dialogue between rich and poor countries that oil producers were considering a price increase of some 10 per cent., a "reasonable reality."

THE EEC SUMMIT

Problems avoided

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

FEW people would dispute that Western Europe to-day faces graver economic uncertainties than at any moment since the Arab oil embargo was imposed just over three years ago. The already faltering recovery from the recession is menaced by a new oil price, widening disparities in economic performance, among the Nine and the keen cutting edge of Japanese export competition.

Yet it is difficult to avoid the conclusion that the impulse among the Nine to tackle most of these problems in common has rarely been weaker or the differences among them more clearly apparent. Only on the question of Japan have EEC Governments managed to form a cohesive front to apply pressure on the Japanese to come up with solutions to correct the imbalance in their trade with the Community.

The extent of these divisions has been clearly underlined by the inconclusive outcome of this week's summit meeting of EEC heads of government in The Hague. Unable to reach agreement on how to approach any of the major unresolved issues before them, the European leaders opted for a policy of standstill which, in the circumstances, was perhaps the only device available to paper over the yawning cracks between them.

The leaders, it is true, did not come to the conference entirely devoid of ideas. On the crucial question of how best to confront the forthcoming Opec decision on oil prices, President Valery Giscard d'Estaing proposed an EEC limit on the value of oil imports while Italy's Prime Minister, Sig. Giulio Andreotti, favoured an appeal to Opec for a six-month delay.

Chancellor Helmut Schmidt of Germany, on the other hand, stuck intransigently to the view that the Opec countries must be made to understand that the West will not "pay twice over," and that the bigger the oil price increase, the less the industrialised nations will be prepared to concede to the developing countries in the North-South dialogue. But in the end, the very diversity of these proposals only pointed up the difficulties of reconciling them.

Anticipated

It would be comforting to be able to say that, even though the summit itself produced no decisions of substance, it had at least set in motion wheels which promised to grind out some agreements at a later stage. But those hoping that the flagging momentum of EEC co-operation at less exalted levels might receive a boost from the top were sadly disappointed.

The widely anticipated interment of the Tindemans report marks the formal abandonment of any real aspirations to move towards European union in the foreseeable future, while the short shrift given to the Duisenberg Plan for limiting non-snake currency fluctuations has taken most of the steam out of the one practical proposal for concerted measures to narrow economic divergencies.

While Mr. Callaghan may pride himself on having fended off once more pressures for a devaluation of Britain's "Green" pound, his refusal to yield on this issue can only exacerbate distortions in the EEC's agricultural policy, about which he is among the first to complain.

The inescapable impression left by this week's discussions is one of rudderlessness and confusion. There aws not a single head of Government around the conference table who was not aware of the dangers of allowing the EEC to drift towards an economic precipice. But instead of seeing in their collective problems an imperative for action, each of the leaders appeared to find in his own national difficulties an excuse for doing nothing—or as little as possible.

> The EEC has been left with little choice but to look to the incoming Carter administration in the U.S., in the hope that this will provide a lead out of its current difficulties.

This is as true for those EEC countries in relatively sound economic health—Germany and the Netherlands—as for those like Britain and Italy who are looking expectantly to the Community to provide them with some way out of their economic crises.

Indeed, Herr Helmut Schmidt minced no words in pointing out to his colleagues that their difficulties far exceeded the ability of Germany to undertake any new actions to help them. His arguments were expressed so forcibly that they apparently carried with them the support of the Dutch, normally the most communautaire of the Nine.

There is undoubtedly a good deal of truth in Herr Schmidt's blunt assertions that the economic problems of Western Europe have grown too formidable for Germany to shoulder alone, and that any meaningful steps to tackle them require a global approach involving the U.S., Japan and perhaps other industrialised nations as well. But his colleagues would probably have found his arguments easier to swallow if he had at least hinted at a more Community-minded attitude towards other areas of common concern.

Instead, the Chancellor's high-handed demeanour and his intransigeant refusal to compromise, on any of the major issues before the summit, left the strong impression that he was dictating terms rather than making a genuine effort to foster agreement. His continued refusal to soften his opposition to demands by the developing countries for a common fund to guarantee commodity prices precluded agreement on a common position to be taken by the EEC in the closing phases of the North-South dialogue in Paris.

It may conceivably turn out that Herr Schmidt's approach to relations with the Third World will be effective in persuading the Opec nations to exercise restraint over the expected oil price increase, and other governments can be accused for not wishing to join the Chancellor in the game, all the more so in view of his own recent statement that Germany is the only EEC country which could absorb a 15 per cent. price rise without disastrous consequences.

None of this has [illegible] allayed the growing sense of unease—indeed mystification—with which Bonn's attitude towards the Community is viewed in other European capitals. Pledges of pro-European commitment, admittedly heard less frequently from Bonn these days, appear in strange contradiction to incidents such as Herr Schmidt's hard-nosed dismissal of Mr. Roy Jenkins' requests for the appointment of German EEC Commissioners with some political weight.

This is not, of course, to absolve the other members of the Nine from blame for the Community's wavering direction. There is a marked absence of consensus on the longer-term objectives which should be pursued and it is depressingly easy to point to recent instances of flagging co-operation, if not actual obstructionism, on the part of Britain, France, and others as well. But even if the Eight were to achieve a broad measure of agreement on what to do, little progress could be achieved without active support from Germany.

Legitimate

In the immediate future, the EEC has been left with little choice but to look to the incoming Carter administration in the U.S., in the hope that this will provide a lead out of its current difficulties. But while there are legitimate difficulties for America's allies in taking major decisions in the absence of a coherent policy in Washington, the Nine's current attitude appears to be rooted much more in the hope that much of the responsibility for dealing with the sticky questions which they have failed to solve can be transferred to American hands.

The European hope is that the Opec countries will also see some virtue in delaying an oil price decision until Mr. Carter is in harness. But even if this happens, there is little reason to believe that the new democratic administration will be any more willing to shoulder Europe's burdens than the outgoing Republican one, and at best the Nine will probably succeed in doing no more than buying a little extra time. Sooner or later, the tough decisions which were side-stepped at The Hague meeting will have to be faced again.

Portugal suspends financial aid to worker-run farm co-operatives

BY OUR OWN CORRESPONDENT

LISBON, Dec. 1.

THE PORTUGUESE Government has temporarily suspended financial support for worker-run farm co-operatives in response to Communist-led agitation in the southern Alentejo region.

The move was announced by Sr. Antonio Barreto, the Agriculture Minister, as farmworkers kept up sieges of four properties where the Government has granted the right of return to former owners illegally dispossessed under the guise of the agrarian reform programme.

Sr. Barreto said credits would be suspended for ten days to allow the estimated 200 co-operatives in the Alentejo to account for how they have used state funds already allocated. "There are billions of escudos in circulation and we have had numerous complaints about how this money is being spent," the Minister said. He warned that "necessary measures" would be taken to ensure that the law was obeyed by farmworkers in the Alentejo.

So far, the Government has sent in para-military national guardsmen to protect farmers besieged on their properties. These include a Briton, Mr. Douglas Phillimore.

The latest confrontation has emerged because the Communist-led farmworkers' union in the Alentejo alleges that the Government promised it would not grant "reservas"—titles to property—to dispossessed owners until further land expropriations took place. Sr. Barreto, unlike his predecessor, Sr. Antonio Lopes Cardoso, has put an end to the expropriation process and is understood to favour a strategy which would ultimately involve breaking up the bigger co-operatives.

Although precise figures remain unobtainable, it is estimated that about £43m. were granted in credits to co-operatives set up in the heady initial stages of the agrarian reform programme, during which an estimated 1m. hectares of land were taken over.

The Government's riposte to the offensive in the Alentejo is seen here as critical for the credibility of the Socialist Party as campaigning gets into full swing for the local elections scheduled for December 12. Although the socialists are reconciled to losing votes on the Left to the newly-resurgent Communist Party, Dr. Mario Soares, the Prime Minister and party leader, and his colleagues are equally determined that the process will not be repeated from the Right, not least because the Government is desperately trying to raise foreign financial support.

To re-emphasise its determination that its economic recuperation measures will be maintained in spite of Leftist charges of "capitalist recuperation," the Socialist Cabinet to-day announced an end to state intervention in eight companies. Technically this means that the companies' owners are free to resume control after a period in which the companies were run under state supervision.

At the same time, the Cabinet disclosed the removal of a number of administrators appointed to nationalised enterprises in what was seen as part of a weeding-out process aimed at restoring their commercial viability.

Election test for democracy

BY PAUL ELLMAN IN LISBON

JORGE PINTO, one of the 55 men who came in response to news of a vacancy for an office clerk to stand in the freezing 3 a.m. cold of a Lisbon street was, like the others, prepared for a long wait. Swathed in blankets and long scarves, they stamped their feet to ease the cold and settled down for the six-hour vigil until the doors would open and interviews begin. Jorge cursed softly as his name came up and he found he was fifty-third in line. . . .

Unemployment is a running sore in Portugal, visible almost everywhere in the country—in the streets of Lisbon where ill-dressed men stand gossiping on corners, in the growing numbers of beggars who fight for pavement space with the jobless who have set up illegal stalls selling trashy trinkets. In the small towns of the centre and north the same aimlessness, the same quiet resentment among those who traditionally escaped to France and West Germany but for almost three years now have been excluded by those countries.

As Western Europe's poorest nation becomes poorer, the fear of economic collapse, the feeling that this time the end really is just around the corner, has become the dominant note of the local election campaign which officially began on Wednesday—National Independence Day.

Nobody even tries to pretend any longer that the voting on December 12 will have anything to do with local issues. At stake is the survival of the minority Socialist Cabinet set up four months ago by Sr. Mario Soares, and beyond that, the sort of political configuration likely to emerge should the Government fall.

The Socialists, currently under full scale Communist attack in the factories and in the farmlands of the southern Alentejo region, cannot afford to see their share of the vote fall sharply below the 35 per cent. they achieved in the Legislative elections on April 25.

Should it do so, the President, General Antonio Ramalho Eanes is expected either to prevail upon Sr. Soares to broaden the Cabinet's base by bringing in representatives of Right-wing opposition parties, or, and this is now thought to be more likely, agree to the formation of a Government of national salvation with a military man as Prime Minister.

The President, who will decide one way or the other, is playing his cards very close to his chest, preferring to let events run their full course until he intervenes.

The Socialists, meanwhile, have reconciled themselves to seeing their vote drop. They are expected to be forced on to the defensive to justify Government austerity measures which their opponents on the Left say are lashing the workers in the interests of "capitalist recuperation."

Much of this is due to what more developed parliamentary democracies would dismiss as simply bad political salesmanship. Sr. Soares, who earned his reputation as a redoubtable opponent of Communist efforts to seize power in Portugal by force and intrigue, is suffering from a major image problem.

As the long-simmering row which finally erupted in the Alentejo last week shows, the Soares administration has, albeit inadvertently, laid itself open to charges of duplicity.

They revolve about the granting of reservas, titles to a plot of land sufficient to ensure a living, to former landowners whose lands have been occupied or are subject to land reform. In September the Government said their would be no reservas until the whole process of expropriation and land reform was completed, but it has wavered since, leading to a confrontation with the Communist-led farmworkers' union.

The original undertaking was given when Sr. Antonio Lopes Cardoso was Agriculture Minister. He fully intended to add a further 600,000 hectares to the 1m. hectares already expropriated. But Sr. Cardoso resigned a month ago after a major Left-wing revolt against Government policy at the Socialist Party's National Congress.

His successor, Sr. Antonio Barreto, is more in tune with Sr. Soares's personal views. He has adopted a distinctly ambiguous attitude towards agrarian reform, while granting reservas and threatening to cut off funds to worker-run co-operatives which do not toe the Government line.

The image of National Guardsmen being used to protect alleged big landowners who have returned to their homes has been gleefully exploited by the Communists. In districts like Beja the so-called People's United Front, which the Communists have formed for the elections, is expected to do well enough to strengthen even further the Communist domination of the Alentejo.

While the Government has unwittingly found itself involved in the confrontation in the Alentejo, the Socialist campaign to woo industrial unions away from the Communists has become bogged down. So-called "Carta Aberta" (open letter) unions which started the campaign against Communist leadership of the national labour confederation, the Intersindical, have failed to attract any key industrial groupings to their side, not least because they are allied to the Socialist Party which has said it will curb the right to strike, restore the power of dismissal, and restrict earning power. To make matters worse, the Government is now suggesting that workers whose pay is above a certain level should be given their 13th month Christmas bonuses in the form of treasury bonds.

Working class resentment manifested at rallies last week-end is expected to cost the Socialists dearly in districts like Setubal, the industrial town 25 miles south of Lisbon where they almost equalled the Communist vote in April.

As well as the threat from the Left, Sr. Soares faces a challenge from the right, where both the Social Democrats (formerly the Popular Democrats) and the Centre Democrats are expected to pull in white-collar voters disgruntled by the rising cost of living and worried by the resurgence of the Communists and the split in Socialist ranks.

Not that Sr. Soares will necessarily find himself out of office on December 13 if the Socialist vote plummets—arranging these things takes a lot of time and intrigue in Portugal.

The Prime Minister has, indeed, taken on a hefty programme of foreign trips for December and January, not the least important of which will take him to EEC capitals to press Portugal's application to join the Common Market.

Sr. Soares' would-be successors need him as badly as he needs them at the moment, if only because the spectacle of a Portugal once again politically paralysed would not help U.S. efforts to arrange a $1.5bn. international loan to stave off Portugal's economic collapse. The very real danger of collapse was demonstrated by the need for the emergency $300m. loan from the U.S. earlier this month without which the Portuguese Government would almost certainly have been driven to default. Washington was apparently convinced that this would have brought the total failure of parliamentary democracy. Building this democracy has been a wearying battle over the past two and a-half years for a people who emerged so abruptly from almost half a century of dictatorship. Despite what some foreign pundits may say, there is no real desire to go back to the old authoritarian ways.

Local politics retain much of their original charm even now, for example, in the dizzy array of far left groups one of which is seeking municipal office with a promise to "prepare the people for an Imperialist war."

But a more sober note has sounded—a mood summed up in the reply of my local newsvendor when I asked him the other day how he felt about being asked to vote for the third time in a year—"The third, you mean the last—don't you?"

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صحكذا من الاصل

OVERSEAS NEWS

U.K. should name interim Rhodesia regime—Todd

BY OUR FOREIGN STAFF

BRITAIN should nominate an interim Government for Rhodesia if agreement on an administration cannot be reached by all delegations at the Geneva conference.

Making this suggestion in London yesterday, Mr. Garfield Todd, former Premier of Southern Rhodesia and now political adviser to the Nkomo delegation in Geneva, said a lack of will on the part of the British Government could result in failure of the Geneva conference.

He suggested specifically that Britain appoint a Minister with complete responsibility for Rhodesia, in an attempt to galvanise the conference into action.

Mr. Todd said that if necessary, the Government should appoint an interim administration. But he made clear that he was not speaking with a mandate from his own or any other delegation in Geneva and could not gauge their reaction to his proposal.

"The interim government, I'm afraid, will not be produced by Mr. Ivor Richard seeking only the goodwill of five competing delegations," he declared.

Underlining the necessity for a positive British role now, Mr. Todd added: "Our difficulty at the moment is that we are over-emphasising the importance of the eight or nine-month period of the interim government and we look as if we may be prejudicing the whole future of Zimbabwe and peace in Southern Africa."

In London, Mr. Anthony Crosland, the Foreign Secretary, discussed future Rhodesia strategy with Foreign Office officials, including Sir Anthony Duff, Mr. Richard's most senior Foreign Office adviser.

It is understood that while Mr. Crosland is prepared to accept a more positive role for Britain in a Rhodesian interim government—including at least the appointment of a governor general type figure—it has not yet been decided how this trump card should be played in terms of conference strategy.

In view of the diametrically opposed positions of black and white delegations, British strategy now must be designed if at all possible to avoid a recurrence of the deadlock of the past few weeks.

The position could well be further complicated by the imminent arrival of a delegation of the Mozambique based Zimbabwe People's Army—Zipa. The only known names from the nine-man delegation expected in Geneva last night are of members of Zanu, nominal supporters of Mr. Robert Mugabe.

However, these men have differences with the main Mugabe delegation, and of the overall stand of the Zipa delegation that they are not allied to any nationalist leaders currently in Geneva.

Meanwhile in Geneva, heads of all delegations gathered yesterday evening for the first general discussion to be held on the structure of an interim government.

While the meeting was not a full plenary session of the five-week-old conference, it appeared to respond to the demand of the Patriotic Front that negotiations should be conducted in the open. Earlier exploratory talks concerning the setting up of a government in the transitional period were held by the conference chairman, Mr. Ivor Richard, as bilateral meetings with individual delegations. The Patriot Front Delegations of Mr. Robert Mugabe and Mr. Joshua Nkomo complained that the minutes of such consultations were not available as conference documents and that other delegations were not fully informed as to what had been discussed.

Besides the British views on the shape of the transitional government, the Chairman has received working papers from the Patriotic Front and the African National Council represented by Bishop Abel Muzorewa. The position of the white minority government of Mr. Ian Smith is also well known.

Peres tests U.S. arms prospects

By L. Daniel

TEL AVIV, Dec. 1.

MR. SHIMON Peres, the Israel Defence Minister, left this morning on a trip that will take him to the U.S. to clarify the prospects of future arms supplies under the Carter Administration, including supplies of the F-16 fighter jets.

Answering questions before his departure, Mr. Peres said arms shipments from the U.S. have not been delayed but several points must be clarified. "We need hundreds of millions of dollars to strengthen our military inventory," he said. He is expected to try to convince the Carter entourage of the need for an increase in U.S. loans and grants for this purpose.

He will also discuss with Mr. Donald Rumsfeld, the U.S. Defence Secretary, the possibilities of production in Israel of certain arms—or the production of parts for U.S. parities which Israel can manufacture.

Asked whether this trip indicates that he does not expect major problems along the Lebanese border, Mr. Peres said: "Anything is possible, but the present state of affairs in Southern Lebanon indicates that the Lebanese residents are maintaining the friendly relations established."

Israel has announced that it will not tolerate the presence of the Palestine Liberation Organisation or Syrian troops near its border.

The Israeli Government has approved a compromise draft budget of £8,750m.—£400m. less than the original draft—in the hope of keeping inflation to a maximum of 25 per cent. instead of the 32 per cent. originally envisaged. The draft represents an increase of 36 per cent. on the 1976/77 budget.

Among the measures adopted for 1977—an election year—is the freezing of VAT at the present 8 per cent., a slower phasing out of food subsidies, and an overall devaluation of the Israeli pound of 20 per cent.

THE TACHING OILFIELD

Forming Maoist man

BY A SPECIAL CORRESPONDENT

DESOLATE, isolated, with mid-winter temperatures plummeting to a scarcely bearable 30 or 40 degrees below freezing, Taching in China's north eastern Heilungkiang province is the country's leading oilfield.

In summer a sodden marshland, in winter a frozen waste, Taching produces 40 per cent. of the country's annual 80m. tonnes of oil, a significant proportion of its foreign exchange earnings and a major part of the Gross National Product.

Promoted

The giant field made China self-sufficient in oil in the early 1960s, but it is more than just an oilfield. Promoted and developed as a working model of a socialist enterprise, Taching has been stamped with the seal of approval of Chairman Mao himself. An industrial paragon and prototype for all China's industry, along with oil it turns out party cadres who establish their revolutionary credentials in the oilfield before moving on. For the workers there is no escape from the toughest and bitterest working conditions in a tough country.

Taching's half a million people live in primitive conditions, often in the mud houses first built in the 1960s and only a small advance on the holes in the ground where the oil workers escaped death from exposure in the early days.

Even new houses have no running water, only outside toilets shared by a dozen or more families and communal bath-houses.

The average wage is less than Yuan 60 (£20) a month, with a Yuan 5 monthly allowance for living in Taching. Entertainment is three nights a week at political discussion sessions and one hour of television four nights a week.

While cadres extolled the virtues of plain living and hard struggle to visiting journalists from Peking's Press corps last week, outside the oxcarts and donkey carts rolled by. Taching's peasant population gazing with their pinched faces from atop piles of hay or wood, the wood for the fires of some of the outlying houses.

Horse power is still a major form of energy on the field; ox-carts plod around the refinery, the country's biggest and largest and workers muffled against the bitter cold use twig brooms to sweep the pathways around the intricate network of pipes, boilers and computers which refine 5m. tonnes of crude oil every year. Taching makes a virtue of deprivation in order to restrict "bourgeois rights" wages have been increased only once in the life of the field and then only for veteran workers

who took part in the "joint battle" of the 1960s with Taching's iron man, Wang Chin-hsi. Wang, to western eyes a revolutionary fanatic, led the team which first struck oil at Taching and is glorified in the manner of Mao himself for his life of self-sacrifice. There are no private plots in Taching, though the area produces all its own food mostly through female labour and the voluntary after hours efforts of the workers. Ninety-eight per cent. of the women there work.

There are no extra holidays for taching workers. The responsible cadres say proudly "production comes before welfare." Mao's call to frugality and thrift extends to recycling old electric light bulbs, saving oil in the sewing machines used by women to mend the oil workers' clothes, and salvaging scraps of cotton waste and thread from the floor of the "make do and mend" factory, which over three years, we were told, had saved the state Yuan 3,000.

Taching implements every one of Mao's many directives to the letter, whatever the cost to the workers, and whatever the economic sense. Overseeing it all is a very high percentage of Communist Party members of almost all parts of China, and cadres on their way up. Over 30 per cent. of taching workers are party members. The national average is less than 10 per cent. More than 40 per cent. are members of the Communist Youth League from which party members are ultimately drawn.

Roughly 50,000 people have been sent out from the oilfield, which draws its workers from 18 provinces, since the "joint battle" of the 1960s. They are considered to have been "tempered" by their experiences of Taching.

The workers are the custodians of the "red banner" of socialism which was personally fostered by chairman Mao. They pay a price paid by few other oilworkers anywhere in the world. With the iron man, Wang, now dead other model worker heroes are being fostered to keep alive his spirit.

Overtime

There is the maintenance man who has already worked a total of 150 days in overtime this year without thought of extra pay, and who delayed 200 meals so engrossed was he in his work.

Taching is as much about Mao's new socialist man as it is about oil. Put the two together and the state benefits from minimal labour costs to produce the one material essential to China's economic growth, modernisation, and even perhaps ultimately, prosperity for the people who produced it.

Sydney Morning Herald

China's UN ambassador recalled

PEKING, Dec. 1.

THE PERMANENT representative of China to the United Nations, Huang Hua, has been recalled to Peking. His recall coincides with a meeting in the capital of the standing committee of the National People's Congress, convened by Chairman Hua Kuo-feng to ratify changes in the Chinese leadership since the death of Chairman Mao and the overthrow of his widow and the "gang of four."

Though the position of Hua as Communist Party Chairman seems unassailable, while the Press continues to hammer home the message that he is a protege of Mao himself, a number of unsolved questions in the area of Government, as distinct from party leadership, remain.

The succession to the premiership has not been publicly settled. It is now rumoured that Vice-Premier Li Hsien-Nien, widely expected to fill the post, has declined it in favour of former Acting-Premier Teng Hsiao-Ping, who would return from political oblivion. The state machine is three Vice-Premiers —Hua, since his promotion, Teng Hsiao-Ping and Chang Chun-Chiao. "the dog-headed" Chang is now slandered across the country as the brains behind the Gang of Four.

The position of Government Ministers who fell foul of Chiang Ching, Mao's widow, has still to be clarified. Education Minister Chou Jung-hsin was publicly criticised for months at the beginning of the year.

The new leadership, looking for technical expertise for its development plans, would scarcely quarrel with Chou En-lai's view that educational standards had declined since the cultural revolution, dubbed academic excellence a symbol of bourgeois elitism, and required it to be subservient to ideological class struggle.

The National People's Congress is legally empowered to make prime ministerial and ministerial appointments, and can vest that power in its standing committee if necessary. It meets at most once a year, and has not met since January, 1975.

Sydney Morning Herald

Lebanon peace force threatens showdown on arms impasse

BEIRUT, Dec. 1.

ARAB LEAGUE attempts to confiscate heavy weapons from Lebanon's Moslem and Christian factions were deadlocked to-day despite efforts by President Elias Sarkis to break the impasse.

Commanders of the multinational peace force have warned the rival militias to turn in their tanks and artillery by Sunday or face a showdown with the Syrian-dominated force. But pressure from all sides failed to budge Left-wingers and Palestinians, who have refused to give up their guns before their Right-wing Christian rivals.

Mr. Yasser Arafat, the Palestinian guerilla leader, and the Left-wing leader, Mr. Kamal Jumblatt, met late yesterday to co-ordinate their positions — and held firm in their refusal.

"There's nothing new to say about the issue," Mr. Jumblatt said after the meeting. "The Palestinian resistance considers that the problem has nothing to do with it."

Right-wing Christian spokesmen attacked the left-wing for "stopping the collection of arms by its stubbornness and refusals." But the right-wing does not appear to have started turning in its heavy weapons yet, and is reported to have spirited many of its heavy weapons away to bunkers in the rugged central mountains.

The deadlock, if it continues, would pose the first real challenge to the Arab league force since it entered Beirut without resistance two weeks ago.

Mr. Sarkis continues to urge both sides to co-operate with the league disarmament plan. Colonel Ahmed Al Hajj, the Arab forces commander, conferred with the President yesterday and said his 30,000 well-armed peace-keepers are determined to confiscate the big guns from both sides beginning on Sunday.

Meanwhile, there was no public response to proposals by Mr Yitzhak Rabin, the Israeli Prime Minister, that the South Lebanon border region be policed by a purely Lebanese force under Mr. Sarkis' control.

The radio station of the Christian Phalangist Party said about 1,000 Arab soldiers, probably from Saudi Arabia, Sudan and the United Arab Emirates, would soon advance south from their positions about 40 miles north of the frontier.

Israel has reportedly agreed to allow a small number of Arab League forces into the south—but not as many as 1,000. In return, Mr. Sarkis and Syria are reported to have promised to prevent the Palestinian guerillas from moving back into the area, now held by Israeli-backed Lebanese Christians, to launch attacks across the border.

UPI

Nigeria cuts sterling holdings to 28.2%

BY OUR OWN CORRESPONDENT

LAGOS, Dec. 1.

ALMOST half of Nigeria's nearly 4bn. naira (£3.5bn.) external reserves are now held in U.S. dollars following diversification, largely out of sterling, of the country's foreign exchange holdings, the Nigerian Central Bank said.

Dollar holdings now account for 43.5 per cent. of total reserves compared with less than 10 per cent. six years ago.

Sterling, which accounted for more than 75 per cent. in 1970 has fallen to 28.2 per cent. of total reserves this year. The Deutschemark account, opened in 1973, holds 12.3 per cent. while the French franc account, opened a year later, holds 4.1 per cent. of current reserve holdings.

A Bank spokesman said decisions on Nigeria's foreign exchange holdings, which include Canadian dollars, Japanese yen, Dutch guilders, Swiss and Belgian francs, are based on relative yield and appreciation convenience for use in payments and availability of Government and Government - guaranteed securities.

Meanwhile payments for Nigeria's crude oil, previously made mainly in dollars, are now accepted in the currency of the purchasing country.

Constituency that could point to future trends

BY CHARLES SMITH

TOKYO, Dec. 1.

KANAGAWA Prefecture at the foot of Mount Fuji used to be a "conservative kingdom" until the early 1970s. This time, according to the local newspapers and most of those actively involved in the campaign, it will be quite surprising if anyone from the Right-wing ruling Liberal Democratic Party (LDP) is elected by the half million or so voters of Kanagawa Number Five constituency.

So what happens here is a pointer to the political bargaining between parties and factions that could go on after the election, if the LDP should lose its majority and there was a realignment towards the centre.

Kanagawa Number Five, like many other oversized constituencies in Japanese industrial areas, is a new creation for this year's general election. Up to 1973 it was covered by the still larger Number Three Prefecture, which commanded five seats in the National Diet and, somewhat perplexingly, filled them with one candidate from each of the five political parties—the LDP, the Japan Socialists, the Democratic Socialists, the Komeito (or clean government party) and the Communists.

The redrawn, and considerably smaller No. 5 constituency will be electing three Diet members on Sunday, one of whom will almost certainly be Mr. Yohei Kono, the 39-year-old defector from the Liberal Democratic Party who last summer founded a Conservative splinter group—the so-called New Liberal Club.

Ambitious and young by the standards of Japanese politics, he and his following of five in the Diet have cashed in on the adverse publicity of the Lockheed scandal to champion a reform of the LDP that would free it from associations of "corruption" and "power politics."

Mr. Kono and his father have between them been representing Kanagawa for the past 30 years and the voters are likely to stay loyal to the family name despite a change of party. But should Mr. Kono's faction pick up more seats in the Diet—as he confidently hopes—then he would expect to be courted by the elders of the LDP as part of a regrouping of the Centre.

As a further asset, Mr. Kono and his "New Liberals" are believed to be getting generous financial support from a small but relatively wealthy group of Japan's younger business leaders. With such help behind him Mr.

THE JAPANESE ELECTIONS

Kono is expected to come in an easy first among the five candidates running for Kanagawa No. 5's three Diet seats. The runner-up will probably be the candidate of the Japan Socialist Party, the bigger and further to the Left of the Japanese Socialist parties. This will mean that the battle for the third seat in the constituency will turn into a three-cornered contest between the Centre, Right and extreme Left of the Japanese political spectrum.

The Right and the extreme Left are represented by the Liberal Democratic Party and the Communists, both of whom can draw upon a formidable party organisation and generous supplies of funds to win the 80,000 or so votes which will probably be needed for victory on Sunday.

In the middle is an ex-railway official named Mr. Kwatsu Kawamura (the name Katsu, incidentally, mean win) who represents the anti-Communist Democratic Socialist Party, the smallest if also the closest to the political centre of all Japan's major political parties.

Mr. Kawamura's campaign, which is being run from a corner of the company union office at the vast Nissan car body plant in Hiratsuka, could hardly be described as positive. He tells his supporters that the LDP is corrupt and uninterested in public welfare and that the Communists are "opposed to parliamentary politics."

The Kawamura message, on the surface, is that both extremes are bad, so why not vote for the centre (even if the centre, as represented by the DSP, currently commands only 19 seats in Japan's 491-seat House of Representatives). A little way below the surface is the implication that the DSP may form a catalyst for new developments at the centre of the political spectrum. These could take the form either of a coalition between the DSP and the other non-Communist elements among the Opposition parties or, strangely enough, of some kind of collaboration between the DSP and part of the Liberal Democrats.

Mr. Kawamura is not merely building castles in the air when he talks about a joint front with other oppositon groups. The DSP in Kanagawa Prefecture already has an election pact with the Komeito Party which could make the difference between victory and defeat on Sunday. The pact consists of the Komeito not putting up a candidate in Kanagawa Number Five and telling its supporters there to vote for the DSP candidate.

The theme of DSP collaboration with the LDP is something Mr. Kawamura barely hints at in his campaign speeches (hardly suprising since his major topic is how badly the Government has been doing). It is, nevertheless, a very distinct possibility, though the Democratic Socialists and any other Opposition parties who decide to play ball with the Government will be certain to demand a price in terms of modified policies and a generous share of portfolios. Just how high a price they can demand will depend on what happens next Sunday in places like Kanagawa.

AMERICAN NEWS

Key posts may go to those in Carter economy talks

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Dec. 1.

MR. JIMMY CARTER'S aides are saying that the President-elect will probably pick four or five cabinet-level appointees from the 16 businessmen, bankers and economists gathered together to-day at his Georgia home to discuss the state of the economy.

Mr. Carter has already said that he wishes to build bridges to the business community and his selection of Mr. Bert Lance, an Atlanta banker and fiscal conservative, was seen as an earnest of this intention. Mr. Lance will probably get the job of budget director, though he could conceivably become Secretary of the Treasury.

To-day's meeting is with a mélange of businessmen and academic and government economists, and there is a feeling expressed, though without great confidence, that one of the former will land the Treasury position.

Among the most likely is Mr. A. W. Clausen, chairman of Bank of America, the country's largest commercial bank, whose well known interest in international economic affairs sits well with Mr. Carter's statements that international economics will play a more important role in the evolution of foreign policy.

Mr. Irving Shapiro, chairman of Du Pont for the last three years and not related to the Du Pont family, is also apparently highly regarded by Mr. Carter, as is Mr. Michael Blumenthal, chairman of Bendix Corporation.

Most recent Secretaries of the Treasury (with the exception of Mr George Schultz under President Nixon) have been either bankers or businessmen and not professional economists. Nevertheless, it seems clear that the claims of Mr. Robert Roosa, of Brown Brothers Harriman and a former Under Secretary of the Treasury for Monetary Affairs, and Mr. Charles Schultze of the Brookings Institute are very much under consideration.

An intriguing outside possibility, attending the meeting to-day, is Mr. Andrew Brimmer, the black economist and former member of the Federal Reserve Board. If Mr. Carter is indeed looking for a highly qualified black for a senior economic position, Mr. Brimmer might fill the bill: it is said he would like to be Treasury Secretary, but might accept, say, the Department of Commerce or the chairmanship of the Council of Economic Advisers (CEA).

One fascinating current rumour—backed by no hard evidence at all—is that Mr. William Coleman, the black Secretary of Transportation in the Ford Cabinet, might be invited to take a different cabinet post under Mr. Carter. The Treasury has again been mentioned, but it must be pointed out that Mr. Coleman is not at the Plains conference and has not as far as can be ascertained, so far met Mr. Carter on the latter's trips to Washington over the last month.

It would be logical to expect the positions at the CEA, as Undersecretary of State for Economic Affairs and, possibly, the Commerce Department to be taken by pure economists if the Budget Office and the Treasury are vested in business hands.

There are few surprises in Mr. Carter's choice of these for advice. As well as Mr. Roosa and Mr. Schultze, they include Professor Richard Cooper of Yale, Mr. Arthur Okun of Brookings (who could conceivably be interested in the Fed if Dr. Burns steps down in 1978), Mr. Walter Heller (like Mr. Okun a past CEA chairman), Mr. Lawrence Klein, Mr. Carter's campaign economic adviser who says he does not want to come to Washington, and two women, Alice Rivlin, the immensely able head of the Congressional Budget Office and Juanita Kreps, Professor of Economics at Duke University.

Delay on steel price rise report

By Jay Palmer

NEW YORK, Dec. 1.

THE U.S. COUNCIL on Wage and Price Stability this morning unexpectedly postponed indefinitely publication of an expected report on the latest round of price increases by the steel industry which come into effect to-day.

The report, widely expected to be highly critical on the timing and possibly the size of the 6 per cent. price rise, will not be issued before next week at the earliest.

Although the Council does not have the power to force the steel companies to cancel the price increase, a critical and authoritative report would certainly increase the pressure on the industry to back down voluntarily.

The 6 per cent. increase, which has now been adopted by virtually all the large U.S. steel makers, applies only to flat-rolled product lines. Used primarily by car makers and consumer appliance industry, this side accounts for over 40 per cent. of total industry shipments.

A spokesman for the Wage and Price Council said to-day that the report had been postponed because it had not been completed to the satisfaction of the Council's acting director, Mr. William Lilley.

Immediately after the first steel companies announced price increases last week, the Council requested data on costs, profits and sales. These replies have not yet been received and to-day's report, it is known, would have been based on previously published statistics and thus its criticisms could have lacked the necessary impact.

This morning President Ford indicated that he would not comment on the steel price increase "until all the facts are in." Last Monday evening President-elect Jimmy Carter said that was "concerned" about the increases

To-day the Wall Street Journal, in a leading article, strongly criticised the President-elect's move, arguing that "this is precisely the sort of intrusion that can do no good but might do real harm."

Although it could still happen, so far there has been no sign of the industry-wide price rise being forced back by ane one company refusing to increase prices. This is exactly what happened two months ago when planned price increases had to be cancelled because of market pressures.

It is expected that, when it finally comes out, the Council's report will argue that demand for steel is not strong enough to support the move to higher prices. The Council could argue that, given price discounting, the increase is merely an attempt by steel makers to lift base prices in case the new Administration decides on a price freeze.

The steel companies, noting that costs over the last two years have far outstripped prices, maintain the opposite. They note that demand for flat rolled steels, unlike the rest of the industry, is strong and projected to grow stronger.

Economic indicators index unchanged

BY OUR OWN CORRESPONDENT

WASHINGTON, Dec. 1.

THE U.S. index of leading economic indicators was unchanged in October, compared with the previous month, the Commerce Department announced this morning. Although this represents some marginal improvement over August and September, when the index, which charts future developments in the economy, fell by 0.8 and 0.9 per cent. respectively, it provides yet further evidence that the "pause" is still very much in effect.

Much in the same mould, the Conference Board, the private research organisation, reported that capital appropriations by the country's 1,000 largest manufacturing companies fell appreciably in the third quarter of the year.

These appropriations tend to point the way to future capital spending, which the Ford Administration has argued will pick up soon and underpin the resumption of sustainable economic growth.

However the Conference Board's survey showed a drop of nine per cent. in these appropriations in third quarter compared with the second and noted that the decline would have been twice as great had it not been for a sharp increase on the part of the petroleum industry.

The Board's economists still believe that capital spending will pick up next year and that too much should not be read into the most recent figures. It is felt that the third quarter decline reflected a postponement of spending plans that will probably be restored by the second half of next year and the Board is sticking to its forecast that there will be an overall nine per cent. increase in corporate capital expenditure in 1977.

The survey also found that in the third quarter actual capital spending, adjusted for inflation, was three per cent. under the previous peak set in the fourth quarter of 1974. It forecasts that for the full current year, spending will be only two per cent. above last year's levels in real terms.

Beame campaign payment probe

BY STEWART FLEMING

NEW YORK, Dec. 1.

THE NEW York City District Attorney, Mr. Robert Morgenthau, is investigating allegations that illegal contributions were made by a New York real estate developer to the election campaign of Mayor Abraham Beame in 1973.

The mayor's office said to-day that it was aware of the allegations and the investigation. There has been no suggestion that the mayor himself knew of the allegedly illegal contributions.

The New York Times to-day reports that the mayor's son, Mr. Bernard Beame, is under investigation along with the mayor's campaign manager, Mr. Irving Goldman, the developer Mr. Christopher Boomis and Mr. Arnold Kagan, a builder and financier. The contributions, it is alleged, were made through two foreign corporations, one based in Lichtenstein and one in Liberia, and owned by Mr. Kagan.

In New York State the political contributions themselves would not be illegal. It is alleged, however, that the contributions were made against the promise of support by the Beame administration for development projects, which, if true, could amount to possible bribery and conspiracy as well as a breach of the election laws.

The mayor has said through a spokesman that the reports of the contributions were "absolute nonsense," adding that he is certain that his son would not be party to any illegal arrangement

It is too early to say whether the allegations can have any effect on the mayor's position, either in relation to next year's mayoral elections or in relation to his ability to negotiate a way through the latest twist in the city's fiscal crisis.

The mayoral elections are not due until November next year and it is not clear whether the 70-year-old mayor will run for office again.

North-South talks likely to be put off

By Our Own Correspondent

UNITED NATIONS, Dec. 1.

THE co-chairmen of the Paris conference on international economic co-operation were due to meet in New York to-night to consider future arrangements for the North-South dialogue now that political transition in the U.S. and other developments have further clouded the already dim prospects for progress.

The two leaders Mr. Alan MacEachen of Canada and Dr. Manuel Perez Guerrero of Venezuela, were expected to announce a postponement of the scheduled December 15 ministerial session of the conference until some time next year.

It has been assumed for some time that the resumption would have to be delayed.

Price-fixing jail sentences

BY OUR OWN CORRESPONDENT

NEW YORK, Dec. 1.

SENIOR executives of several leading U.S. corporations, including the Container Corporation of America, a Mobil subsidiary, have been sentenced to jail for up to 60 days for price fixing.

The convictions, handed down bya federal judge in Chicago, follow a Justice Department antitrust suit against 22 manufacturers of paper board box makers. The Justice Department alleged that between 1960 and 1974 the companies conspired to fix prices by not bidding competitively against each other.

It has said that the case is the largest price fixing case that it has brought in terms of the sales revenues of the defendant corporations. In 1973 the companies had revenues of $1bn.

The harshest punishment handed down by the judge was a 60-day sentence and a $35,000 fine for Mr. R. Harper Brown, president of Container Corporation of America.

Sixteen other defendants were also sentenced to jail terms, in some cases amounting to only a few days, and to fines.

Confirmation of the sentences has been postponed, however, and the judge has said that he will hold hearings later in the month on any motions for reductions in the sentences of those convicted.

All the convicted executies entered pleas of no-contest, which in some effects is similar to a guilty plea but cannot be used as a presumption of guilt in any civil cases arising out of the antitrust conspiracy convictions.

Some 45 civil suits are outstanding in the case, with plaintiffs seeking damages for alleged over-charging by indicted or convicted corporations.

In recent months Justice Department officials have been calling for harsher sentences in price-fixing cases.

Venezuelan surplus of $300m.

By Joseph Mann

CARACAS, Dec. 1.

THE GOVERNMENT of Venezuela accumulated a Treasury surplus of $300m. for the first three quarters of 1976, according to figures released by the Venezuelan Central Bank.

In its latest bulletin, the Government bank said that official expenditures for the first nine months of this year reached $6.03bn., while income for the same period was $6.33. The Government's original budget for 1976 called for outlays of about $7.71bn. but this figure will probably be surpassed.

Venezuelan Finance Minister Hector Hurtado recently asserted that Treasury income thus far is running more than $800m. ahead of previous estimates for the year.

U.S. PRIVATE SECURITY SERVICES

Guarding the 'symbolic alternatives'

BY MAURICE IRVINE IN LOS ANGELES

A WAVE of terrorism abroad and extortion by kidnapping at home is spurring the American business community into an unprecedented concern with security. The hunger for protection—according to a recent survey by the Rand think-tank in California will this year build private security services into a $12bn. a year industry, which is growing at a "recession-resistant rate" of almost 15 per cent. annually.

In the past, anti-American terrorists factions around the world have vented their spleen chiefly on U.S. Government personnel and the buildings they work in. "To-day, these embassies and offices have become very tough to hit," says Mr. Benjamin Weiner, head of Probe International, an organisation which specialises in "political research" for U.S. companies. "As a result, more and more American companies are being used as terror targets." Mr. Weiner calls them "symbolic alternatives."

The perils were demonstrated to executives last August in Tehran when three employees of Rockwell International on their way to work were assassinated by nationalists. Company-sponsored seminars on counter-terrorist measures, which had been sparsely attended, suddenly drew overflow audiences.

A new Central Intelligence Agency study shows that of more than 4,000 people killed and injured by insurgent bands over the past eight years, 40 per cent were Americans; incidents of international terrorism, including skyjackings and bombings, have doubled over the same period, and the CIA says that the impact "will be felt more sharply in the U.S. in the years ahead." Among the targets which can expect to be hit are offshore oil rigs, oil pipelines (including that in Alaska) and nuclear power plants.

At home the rash of abductions in recent months has diverted attention from continuing political bombings, while beyond such highly-publicised kidnappings as those of Miss Patricia Hearst and the Seagram liquor heir, Samuel Bronfman II, there have been a swarm of less-newsworthy attacks.

Letters demanding money have been received by more than 200 corporation executives, and some threats have been followed up by action. One letter-bomb explosion left four people seriously wounded.

After each incident the demand for bodyguards, private police, and security agencies increases. Some 95,000 are licensed in California, more than twice the number of police officers in the State. Nationally, the industry is estimated to employ something like 1m. people, compared with a U.S. police force of 450,000 men.

The security business is dominated by two companies, Pinkerton's and Burns International (last year No. 1 agency Pinkerton's earned $200m. or three times its revenues of a decade ago), but there are hundreds of smaller companies. A Rand Corporation survey for the Justice Department showed that 65 per cent. of the guards hired by these firms receive no training at all, yet they are useful as "scarecrows." "It may well be that the thieves, the muggers and the extortionists only move to another neighbourhood or firm," a Los Angeles company director said. "But, frankly, I'll settle for that."

The wide range of more usual equipment is also selling at a fast pace. Protection and Security, makers of "personal" aerosol tear-gas bombs, says business is 50 per cent. higher than last year. Hoteltron Systems, which two years ago sold only 100 of its $500 letter-bomb detectors, estimates that this year sales will reach 1,000. Sales soared after a letter-bomb had exploded in the offices of Merrill Lynch last spring.

But all this is not enough for Mr. Lee Kirkwood, once Mr. Paul Getty's personal security consultant and now head of Universal Security, one of several Los Angeles companies offering services to the wealthy, the famous and the top-flight executive. "Too many people, especially in the business world, take a 'who me?' attitude," Mr. Kirkwood says. "They cannot believe that it can happen to them. But the record of violence in this country says they're wrong, and so does the $50bn. worth of property stolen in the U.S. last year."

WORLD TRADE NEWS

Leading container lines to use Suez Canal next year

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE SUEZ CANAL has scored a major victory in its attempt to regain the position of the world's leading international waterway with a decision by the leading container lines operating between Europe and the Far East to route their ships through the Canal from next month.

The transit of the first ship, the Tokyo Express on January 17, will bring to an end nearly 12 months of tense negotiations between the Suez Canal Authority and the two main container consortia involved in the Far East trade, the Trio and Scan Dutch groups.

Ever since its re-opening in June 1975, the Suez Canal Authority's two main priorities have been to attract as much oil tanker traffic as can safely use the waterway and to catch the large container ships which could amount to as many as 400 transits a year.

While the number of oil tankers using the Canal has been steadily increasing, the container consortia refused to abandon their use of the Cape route unless they were satisfied about the safety aspects of using the Canal and the Authority would relax its demand for a 10 per cent. surcharge for container ships.

The surcharge claim was based upon the argument that vessels which carried cargo on decks as well as in holds, as container ships do, should pay a premium.

This dispute has not been ended by any formal agreement although it is understood that the authority has indicated that the surcharge might be cut to 5 per cent. on an experimental basis. The Lines say they no longer have any anxieties about ship safety.

Members of the Trio Group include Britain's Ben Line Containers and Overseas Containers, together with Hapag Lloyd of Germany and NYK and Mitsui OSK of Japan. Use of the canal by their ships, and those of the four ScanDutch lines, would shorten the sailing time between Europe and Japan by about seven days if the vessels maintained their current speeds.

However, projections for the trade next year indicate that shorter sailing times would produce a tonnage surplus. The lines are almost certain, therefore, to slow their ships down, producing a saving on fuel costs and reducing the U.K.-Far East sailing time from 18 to about 16 days.

Trio vessels are expected to account for nearly 200 transits through the Canal next year and ScanDutch vessels about half that number. A third consortium, ACE lines, has been using the waterway for several months, although its ships are markedly smaller.

China 'holding back' on Kellogg plant

BY DAVID HOUSEGO

THE CHINESE authorities are reported to be holding back about 25 per cent. of the basic feedstock of natural gas from at least two of the fertiliser plants being installed in China by the American multinational Pullman Kellogg.

Under a $200m. contract signed in 1973 and hailed at the time as the largest dollar contract awarded by China to an American company, Kellogg are putting up eight ammonia plants of a capacity of 1,000 metric tons a day each as the first stage towards completing an equal number of urea complexes.

The contract stipulates that the Chinese can refuse delivery of the plants until they have been run at full capacity for five days. In withholding the natural gas the Chinese gain the double advantage of stockpiling ammonia and retaining the technical services of Kellogg.

Kellogg is now pressing for the full amount of gas needed to be made available. The three plants so far completed are at Heilongkiang and Liaoning in the north east and Szechwan in the south.

A further plant in Hopei province is due to come on stream by the end of the year with the others finished during 1977. The associated urea plants, each of 1,600 metric tons a day capacity are being built by Kellogg's Amsterdam subsidiary, Kellogg Continental.

Though the apparent explanation for withholding the gas is to gain a small commercial advantage, western sources who have visited the sites say that the Chinese have puzzlingly not put in the transport infrastructure that will enable them to operate at full capacity once completed.

They also note that a small British manufactured plant installed in Szechwan in the mid-1960s is working at about half capacity. They believe the reason for this is that delays in production are caused by the Chinese habit of calling a meeting to discuss any problem that might arise.

The Kellogg plants are said to be going up on schedule—but the schedule is a loose one that allows for plenty of consultation with technicians, party members and workers.

China's ability to operate the complexes successfully and at high capacity will obviously be an important factor in determining the pace at which she places new plant orders with the West. Most western observers have taken the view that under Chairman Hua's leadership, China will again be in the market for sizeable purchases of western technology.

The eight fertiliser complexes are being built in areas known to the west for their oil and gas resources, though visitors confirm that in the north east in particular the gravity of the crude oil seems high. Under the contract with Kellogg, the Chinese have a year's warranty on the plants.

Venezuela oil budget outlined

CARACAS, Dec. 1.

THE President of Petroleos de Venezuela (Petroven) the Venezuelan Government oil company, General Rafael Alfonzo Ravard, said that the organisation is now studying a 1977 budget reaching nearly Bolivars 3bn. ($698m.).

This money would be used by Petroven to manage its giant nationalised petroleum industry and to make new investments in refining and other areas. Petroven, which ranks among the world's ten largest oil companies in terms of assets, production and equipment, was founded last year with an initial capital outlay of Bolivars 1bn. ($233m.). The State oil company reported net income of $275m. for the first half of this year, on sales of $4.19bn.

General Alfonzo Ravard also noted that one of the operating companies controlled by Petroven the former Exxon affiliates now called Lagoven, would spend some Bolivars 2.7bn. ($627m.) over the next five years on adding new refining capacity.

Reuter

Plessey in talks on Thomson—CSF link

BY DAVID CURRY

PARIS, Dec. 1.

THE BRITISH electronics group Plessey and the leading French electronics concern Thomson-CSF are making a second attempt to corroborate in the development and manufacture of integrated circuits. The two groups held informal preliminary discussions on a similar association in 1972 but the breaking off of negotiations with the prospective third partner AEG Telefunken of Germany led to the Franco-British talks failing to get off the ground.

Now the two groups have announced that in view of their identity of viewpoint in the integrated circuit field they have set up a study group to look into the possibility of an association "to rationalise and complement their respective activities particularly at the level of research and production and to reinforce their commercial impact on world markets."

On the Plessey side the division involved in any co-operation would be Plessey semi-conductors.

In Paris it is already being speculated that other groups could eventually come into a co-operative venture. Among the names being mentioned are Siemens of Germany, Motorola of the U.S., which has a big French operation, and the French offshoot of Philips of Holland, La Radiotechnique, which is an already important supplier to the French Post Office. However, neither Thomson nor Plessey have alluded to the possibility of broadening the study. The first meeting of the working party is expected to take place before Christmas.

The collaborative move reflects in part the French Government's concern at the domination of the European electronic components and computer markets by non-European companies. The Thomson group has emerged as one of the pivotal companies in the Government's attempt to develop France's high technology in the electronics and related field.

Six months ago, in a Government-negotiated deal, it took over the French subsidiaries of ITT and the Swedish company Ericsson to give it an important stake in the country's telecommunications modernisation programme. The importance of this take-over was that it put at the disposal of a French company the two systems—Ericsson's AXE and ITT's Metaconta—for the space switching stations to be built as part of the modernisation programme. The group flagship is Thomson-Brandt, which owns 54 per cent. in Thomson CSF. Group turnover next year is expected to be around Frs.15bn. (£1.8bn.).

Japan proposes shared markets

TOKYO, Dec. 1.

JAPAN AND the European Common Market may have to work out a "division of labour" agreement to avert trade wars in the future, a top official at the Japanese Ministry of International Trade Industry said to-day.

Mr. Toshihiko Yano, the Ministry's director-general of international trade policy, told a Press briefing: "We would appreciate very frank and candid views of the European countries on this, and if necessary we would be ready to adjust."

Common Market leaders yesterday issued a veiled warning to Japan to cut its massive trade surplus with the EEC in the next three months.

Mr. Yano said he believed the threat of immediate conflict had been headed off by Japan's promises to hold talks on curbing its exports of cars and ships and to step up imports from the EEC.

However, in the long term, the basic problem was that Japan and the EEC were competing in many cases to produce and sell the same goods.

Mr. Yano said international market sharing would go against the principle of free world trade, but within the framework of free trade. "I believe we can have some division of labour."

Asked how this might apply to the British car industry, which has suffered from strong competition of Japanese imports, Mr. Yano said he was not suggesting for a moment that it was not appropriate for Britain to produce cars.

But there were all sort of vehicles, Mr. Yano said, from small cars to large trucks—"maybe we could discuss which products could be most efficiently produced and sold by each side."

He said he was unable to qaunify the impact of Japan's promises to boost EEC imports on the trade imbalance. However, the trend should now be towards a reduction of Japan's surplus. According to EEC estimates, the Japanese surplus could reach $4.2bn. this year.

Mr. Yano said one of Japan's headaches was how to handle EEC requests for cuts in some of its import tariffs—an issue which Japan felt should be discussed in the framework of the Geneva Multinational Trade Negotiations.

He also said there was room for a rise in imports from the EEC of heavy machinery and chemicals, but this would have to await a speed-up in the Japanese economic recovery.

Mr. Yano said Japan was now waiting to hear from the EEC how much member countries wanted to boost exports to Japan of butter, skimmed milk, tobacco and processed meat.

Practical steps would then be taken to let in more imports of these items, as stated in Japan's recent reply to EEC demands for action to cut its trade surplus, he said.

Reuter

Japan TV exports record

TOKYO, Dec. 1.

JAPANESE colour television exports are certain to be a record 4.9m. plus sets this year compared with the previous record of 2.7m. in 1975, the Electronics Industries Association of Japan said.

This forecast is based on the cumulative export total for the first 10 months of 4.19m. sets, the association said.

Colour TV exports in October were 431,300 units, up 65 per cent. over October 1975, but 4 per cent. lower than in September when shipments for Christmas requirements increased. It added shipments to the U.S., France and West Germany in November continued at a high level.

Reuter

BSC wins major Far East order

BRITISH STEEL Corporation has won a major order in a Far East market dominated by the Japanese to supply 4,500 tonnes of steel bearing piles to a construction company, with the prospect of securing another and bigger order in the spring as a follow-up to the first contract. The second order, on which BSC has an option, is for an additional 6,000 tonnes of piles. The value of the contract has not been disclosed.

The bearing piles will be rolled by the corporation's Scunthorpe division and are to be delivered during the next three months, completing the order in February.

Swiss wine talks soon

BY JOHN WICKS

ZURICH, Dec. 1.

DISCUSSIONS are expected to take place between the EEC Commission and Switzerland in Brussels next week on the recent decision of the Swiss Government to introduce a levy on imports of red wine in bottles in excess of average imports in the period 1971/75.

The Commission considers this move, which came into force on November 1, contrary to Switzerland's obligations to GATT. The Swiss standpoint is that the step does not contravene its GATT obligations since on joining GATT the Government had reserved the right to introduce import restrictions or similar measures under its national agricultural laws.

The introduction of the levy, which is not considered in Berne to constitute an import restriction as such, has proved desirable in the light of a 700 per cent. increase in the import of bottled red wine over the past decade and the expansion of an existing stockpile of indigenous red wine by the bumper 1976 harvest.

Russia raises oil flow to West at East's expense

BY KEVIN DONE, INDUSTRIAL STAFF

The Soviet Union, the world's largest producer of crude oil, is continuing to increase oil exports to Western countries at the expense of its Eastern bloc trading partners in an attempt to pay for urgently needed imports, according to the latest issue of the Petroleum Economist.

It points out that Russia has apparently found it necessary to reconsider trade agreements made last year with its Communist allies for the five-year period 1976-80. These called for a sharp increase in oil deliveries.

"For several years previously exports to the West had risen far less rapidly than those to Eastern Europe and other Communist areas, and it seemed reasonable to assume that this trend would shortly reassert itself, especially in view of the specific provisions in recent trade agreements."

However, Russian crude oil sales to EEC countries jumped to 7m. tonnes in the six months from January to June this year compared with only 2.8m. tonnes in the same period last year. The need to pay for unusually high grain purchases from the West is offered as one of the main reasons for the change of policy.

Crude oil production is due to rise by 5.4 per cent. a year under the current 5-year plan, which means that the Soviet Union may well be able to retain more or less adequate supplies for its own expanding economy, says the magazine.

It suggests, however, that oil supplies will have to be cut back to Czechoslovakia and other Eastern bloc countries despite the fact that the economies of some of the smaller East European countries are already insecure and will face considerable difficulties in arranging for even greater oil imports from overseas than previously envisaged.

Earlier this year Mr. Josef Kempny, Secretary of the Czechoslovakian Communist Party, gave the first acknowledgement that Soviet crude oil deliveries in the next five years would fall short of original estimates. Oil supplies represented the "gravest problem" of Czechoslovakia's external relations in the field of fuel and power, he said.

Hong Kong rejects quota plan

Hong Kong does not recognise the right of the Canadian Government to abrogate bilateral trade agreements, Mr. Bill Dorward, acting director of the Commerce and Industry Department, said yesterday in response to the imposition of quotas on clothing exports to Canada.

Mr. Dorward made the remarks following a special meeting of the Hong Kong Textiles Advisory Board to discuss the Canadian Government's decision. The Canadian Government announced it was cutting back immediately its clothing imports to 1975 levels for the rest of the year and for 1977.

He said the Board's advice was firm and unanimous. "We shall continue to meet our obligations under the three current agreements and trust the Canadian authorities will do likewise."

Leyland cuts prices

British Leyland Motors in Detroit is cutting the price on its 1976 Triumph TR7 sports car by $654 to $4,995, effective immediately. At the same time, Volkswagen of America said it is boosting prices on its 1977 Audi models an average of 3.3 per cent., or $195.

Tanzania car cuts

Tanzania will limit the import of motor vehicles to 10 makes instead of the 45 allowed before. Cars allowed will be Volkswagen, Peugeot and Datsun, while only Isuzu, Kombi, Land Rover, Range Rover and Ford Transit light vehicles will be imported.

Newer cars

The average age of privately owned motor cars on the Swedish roads has dropped from 14.3 years in 1973 to 14.0 years in 1974 and to 13.9 years in 1975, according to Svensk Bilprovning, the Swedish vehicle inspection organisation.

Nissan in Australia

Nissan Motor will spend $42m. over the next four years to boost its share of the Australian small car market, the company has announced. It also said yesterday it has awarded Chrysler Australia $19m. to supply iron engine castings over the next four years.

Brotherhood contract

Peter Brotherhood, the precision engineering company of Peterborough has won contracts from Ghana and Tanzania for indutrial steam turbines and components for steam turbines to a value of almost £1m.

Dubai order

S. and W. Berisford International, wholly owned subsidiary of S. and W. Berisford, the food group, has won a £360,000 contract to supply clients in Dubai with kitchen units and wardrobes.

Oil agreement

Malaysia's national oil company, Petronas, has signed a production sharing agreement with two oil companies of the Shell Group. A similar agreement with a third company, Exxon, was expected to be signed soon.

HOME NEWS

Engineers 'fail to justify award'

By David Fishlock, Science Editor

THE MACROBERT Award for U.K. engineering innovation is being withheld this year because the assessors have been unable to find an entry to match the standard of previous winners.

The Council of Engineering Institutions said that its evaluation committee headed by Lord Hinton, has been unable to find the requisite technological (advance couple dwith financial promise.

The rules of the £25,000 award allow it to be made to an individual or to a team of up to five working independently of for a company, laboratory, or other organisation. It can also be shared.

Nine engineering projects have received the award since 1969, including the EMI-Scanner, EMI's new computerised X-ray technology for medical diagnosis. That was the only time a single inventor won the award outright.

Other recipients have included the inventors of the Rolls-Royce Pegasus vertical take-off aircraft engine, the designers of the Severn Bridge, and the developer of new technologies for the manufacture of gas.

Direct rule opposition has backing

By Our Belfast Correspondent

A NEW attempt to mobilise opposition to direct rule from Westminster, launched by an Ulster Unionist politician, has received the backing of the Ulster Defence Association, the largest of the Protestant para-military groups.

Mr. John Taylor, a former junior minister in the Northern Ireland Government, had hinted in a speech that action similar to the Protestant workers' strike of 1974 was needed to force devolution out of Westminster.

Conventional poltics could not succeed, and only a united effort by Unionists and para-military groups could achieve the return of democratic institutions.

Although the UDA has welcomed his ideas, Mr. Taylor's own party, the Official Unionists, have sharply dismissed his attempts to draw them closer to the para-military organisations.

The UDA and the other para-military groups yesterday turned down an offer from the Provisional Sinn Fein for talks aimed at agreement on "a new Ireland."

Dunlop's sport subsidiary to expand

DUNLOP'S International Sports subsidiary is to embark on an expansion and modernisation programme costing £2m. at its tennis and squash ball factory in Barnsley. Tennis ball production will be increased by about a third and that of squash balls by 40 per cent.

An extra 80 full-time and 50 part-time workers will be taken on, increasing the overall labour force by about 16 per cent.

Half-built tanker seized from Maritime Fruit

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE GOVERNMENT, acting in concert with the Bank of Scotland, has taken possession of a £20m. oil tanker being built for Maritime Fruit Carriers, the Israeli-American company, by Scott Lithgow on the Lower Clyde.

The move had been expected for some time because of Maritime's failure to maintain progress payments on the vessel. But the Department of Industry, in a significant attempt to salvage the situation is embarking on a determined attempt to sell the ship, due to be completed late next year.

A venture into ship sales is a major development in Government policy which may have far reaching implications if the shipbuilding nationalisation Bill fails to reach the Statute Book.

Ministers are coming under strong pressure from trade unions to sponsor building of ships for stock to provide work for order-starved yards.

This may conflict with international shipbuilding agreements, unless potential buyers are lined up before or shortly after building starts.

If the industry were to remain in private hands this task would almost certainly fall to the Department of Industry, which has already chalked up some notable successes with Maritime ships this year.

Department officials were deeply involved in the deal by which Cunard bought 10 Maritime refrigerated cargo ships because the Government was first mortgage on five of them.

The Department guided the recent sale of the large tanker, Tyne Pride, one of 13 vessels built by Swan Hunter in which Maritime had a 75 per cent. stake.

Worried unions

The Scott Lithgow vessel is one of a two-tanker order taken on by Maritime in 1973. Building of the second has been delayed because of the company's financial problems. Unless work starts soon, up to 1,500 jobs at Scott Lithgow's Cartsdyke yard may be in jeopardy.

Worried about the employment crisis in the company, local officials of the Confederation of Shipbuilding and Engineering Unions will seek a meeting with Mr. Bruce Millan, Secretary for Scotland, next week. They are expected to press for Government aid to build the second tanker, regardless of the lack of a firm order, and for construction of a £30m. drill ship for which the buyer has withdrawn.

The Department of Industry has already been involved, with the Scottish Office, in trying to find a buyer for the drill ship, because the Government has for the time being set its face against speculative building.

Negotiations are due almost immediately with a potential buyer of the first Scott Lithgow tanker, a 258,000 deadweight ton crude carrier.

Very few of these large vessels have been sold in the world this year, and the near-£12m. recently obtained for the Tyne Pride is a benchmark for these latest negotiations.

The signs are that the Department would fall £7m. to £8m. short of the £20m. contract price signed with Scott Lithgow. Both the Scott Lithgow tankers are financed by 80 per cent. credits topped up with 20 per cent. investment grants.

Financing was mainly provided by the Bank of Scotland, backed by Government guarantees, and the Bank is acting as mortgagee in possession acting on the Department's behalf.

Albright and Wilson closes Liverpool chemical plant

FINANCIAL TIMES REPORTER

ALBRIGHT AND WILSON, the chemical manufacturer, is to close its small plant at Kirkby, Liverpool, employing 130 people and transfer production to Oldbury, Birmingham.

The company said yesterday it was now more economical to manufacture ammonium phosphate and Calgon water softening materials at its Oldbury site. A new Calgon plant is to be built there and other equipment transferred to the Midlands.

In another rationalisation move some years ago the company transferred manufacture of tripolyphosphate from Kirkby to Whitehaven, Cumbria, halving the Kirkby labour force to its present level.

Albright and Wilson said yesterday that opportunities would be available for workers who wished to transfer to obtain new jobs in the Midlands.

The closure was attacked yesterday by Mr. David Warburton, national industrial officer of the General and Municipal Workers' Union, who claimed that it would add to the already serious local unemployment problem.

He pointed out that in Kirkby alone since March five companies, including Hygena, Dubiliers Electronics, Selec and Otis Elevators, had announced redundancies of about 1,000.

● James McDonald writes: Boulton and Paul, British Electric Traction's Norwich-based structural engineering and woodworking subsidiary, is to close one of its plants manufacturing aluminium windows and curtain walling during the next year.

About 250 jobs out of Boulton and Paul's total of 6,000 will be lost.

The factory—Boulton and Paul (Aluminium Windows) in Eversley Road, Norwich — has been a consistent loss-maker during its ten years' existence, Boulton and Paul said yesterday.

Now, because of the recession in the construction industry, it had been decided that the aluminium window plant could no longer be subsidised by other group companies.

The company would honour its contractual obligations.

It was stressed that "all other group companies will continue their normal operations and are in no way affected by the decision to cease the manufacture of aluminium windows."

Concorde ads rapped

CONCORDE'S supersonic transatlantic flights take a buffeting from the Advertising Standards Authority today.

The authority upholds three complaints over Press advertising claims of Air France and British Airways.

They will no longer be able to describe flights on the world's fastest airliner as "quiet," or claim that there is less or no jet lag and that certain U.S. cities are within an afternoon's journey of London.

The authority called in an independent air correspondent who had flown Concorde four times after a man from Cornwall challenged Air France's claim that "on board all you notice is the absolute tranquility of supersonic flight. The quiet."

The correspondent said the quietness claims were not justifiable. The complaint was upheld.

British Airways advertising for Concorde services, new services in other aircraft and advertising announcements will now be submitted to the authority before publication.

'Eye' pays Maxwell damages

MR. ROBERT MAXWELL, the publisher and former Labour MP, received damages yesterday in settlement of two libel actions over Private Eye articles said to have implied that he had made bids to take over The Observer newspaper when he could not afford it.

His counsel, Mr. David Eady, told the High Court that in 1974 and 1975 Mr. Maxwell was closely concerned in his capacity as co-chairman of the executive council of Scottish News Enterprises in the attempt to save the Scottish Daily News.

Articles in Private Eye of August 22 and September 5, 1975, carried the imputation that Mr. Maxwell was pressed to raise a £25,000 cash deposit for the Scottish Daily News and could raise only £15,000.

Private Eye went on to allege that he "borrowed £10,000 from two Scottish journalists," said Mr. Eady.

"It is now accepted by the dants that there was no truth in any of these allegations," he added. "In particular, Mr. Maxwell was not making a bid for The Observer.

"Nor did he borrow any money from Scottish journalists or arrange that a personal debt of his should be discharged by the company. In face Mr. Maxwell paid towards the Scottish Daily News a total of £114,000, being £14,000 in excess of his promised contribution."

Mr. Eady said the other libel action concerned "a sarcastic piece which carried the clear implication that Mr. Maxwell had misled the public about the circulation figures of the Scottish Daily News during the period after he had taken charge.

"It is now accepted by the defendants that the circulation figures did indeed rise by the 90,000 copies a day which Mr. Maxwell was claiming."

Private Eye apologised and was paying Mr. Maxwell's costs and damages.

Bus fare rises 'unlikely to hit revenue'

By Ian Hargreaves, Industrial Staff

STEEP INCREASES in bus fares are not likely to drive passengers away to the extent of causing a fall in revenue, said a report from the Government's Transport and Road Research Laboratory.

The report will provide further support for the high-fares lobby, whose views made a clear impact on the thinking behind the Government's consultation document on transport policy published earlier this year.

Based on information from Britain and overseas, the report says that even after 25 to 30 per cent. increases of the last year "fares would have to be increased manyfold relative to average earnings before a situation developed where further increases actually produced a drop in overall revenue."

It shows a general drift away from bus travel, with bus companies consequently either cutting services or increasing fares beyond the general level of inflation.

The research laboratory's figures give a 10 per cent. average increase in fares above the prevailing rate of inflation as causing a 3 per cent. drop in use, so that total revenue increases 7 per cent.

More significantly, the report says that passenger response to fare increases has not changed in various counties for the last 20 to 30 years.

"Even in the past few years, where high inflation has led to large fare rises there is no evidence that passenger response has been greater than before."

Company view

There were variations in response to increases from users of different services. Off-peak passenger loadings were more seriously affected than peak-time loadings, and shorter journeys suffered a sharper fall than long.

A report to be published soon by the National Bus Company indicates a similar picture to that painted in the Transport and Road Research Laboratory survey.

The company took data at 11 places between March and May this year. In this period passengers on the buses had to pay on average 11 per cent. more. The result in passenger loading varied from a 6 per cent. loss to a seasonally influenced 2 per cent. gain. The mean fares elasticity figure, minus 0.3, is close to that shown in the laboratory report.

After a double round of fare increases last year, some National Bus Company services suffered falls of 18 per cent. of their passengers.

● *The Effect of Fares on Bus Patronage, by P. H. Bly, for the Transport and Road Research Laboratory, Crowthorne, Berks.*

New agreement on display lighting curbs

THE MAIN users of display lighting have agreed to limit their use of lighting after the expiry of the Government's controls on lighting.

The voluntary agreements mean that users of illuminated signs will have more flexibility than before as to how and when they use their lights.

JFB appeals against ban on bid moves

BY RICHARD LAMBERT

A UNIQUE insight into the development of a takeover battle was provided by yesterday's Court of Appeal hearing on Johnson and Firth Brown's disputed bid for Dunford and Elliott.

Mr. Anthony Lloyd QC, acting for Johnson and Firth Brown, asked Lord Denning, Master of the Rolls, Lord Justice Roskill, and Lord Justice Lawton to discharge a temporary order made on Tuesday by Mr. Justice Mocatta, banning Johnson and Firth Brown from proceeding with the bid.

Mr. Lloyd disclosed that Johnson and Firth Brown first thought of bidding for Dunford and Elliott at the end of 1975, and made a direct approach to that effect in July, 1976. Bl that time, Dunford and Elliott was in "considerable financial difficulties," and had appointed Morgan Grenfell as advisers.

Concern

In a letter to Mr. P. G. Edwards, chairman and managing director of Dunford Hadfields and Brown Bayley Streels, Mr. Philip Ling, the general manager of Johnson and Firth Brown, expressed his concern at reports that Dunford and Elliott was holding talks with the National Enterprise Board.

He suggested that before coming to terms with NEB, Dunford and Elliott should consider a deal with Johnson and Firth Brown.

He proposed that Dunford and Elliott could sell to Johnson and Firth Brown its peripheral businesses, such as its forge works, or its engineering division. If neither of these were attractive, he added, Johnsen and Firth Brown would be willing to consider the possibility of a full merger. These offers were declined in a letter dated July 20.

On October 1, a Board meeting of Johnson and Firth Brown's steel division under its chairman Dr. D. Hardwick agreed that a takeover bid would be the best solution to Dunford and Elliott's problem. It discussed the potential hazards to Johnson and Firth Brown which could arise in the event of a collapse of Dunford and Elliott.

Also at the beginning of October, Dunford and Elliott decided that it should approach the NEB for help, and on October 12 the NEB put forward its terms for assistance.

Meanwhile, the institutional shareholders of Johnson and Firth Brown were becoming alarmed at the reports of Dunford and Elliott's problems. On October 25, a meeting took place between the company and institutional shareholders (controlling 43 per cent. of the votes) to explore the possibility of an alternative to the NEB's intervention.

At that meeting, two documents were handed to the institutions. One was a budget summary, which contained directors' forecast of the turnover and profits for the year to next September, together with details of the group's borrowings.

The other was a report made by a firm of consultants, on the capacity and sales prospects of the steel division. It included sales forecasts for the next five years.

These documents were handed over in confidence to the institutional shareholders, led by Prudential Assurance, on the understanding that they were not for publication, and that they could not be used even by that institution themselves except in their capacity as underwriters for a potential rights issue by Dunford and Elliott.

On the next day another meeting took place with the company, chaired by Mr. D. Sirkett, the deputy investment manager of the Prudential, at which the underwriting of a £3m. rights issue by Dunford and Elliott was discussed.

The same day, Mr. Sirkett telephoned Mr. Ling to ask him if Johnson and Firth Brown would be interested in joining the institutions' consortium to the extent of £500,000—taking the package up to £3.5m. A similar approach was made to GKN, to increase the figure to £4m.

"A couple of days" later, Sir Henry Benson, industrial adviser to the Bank of England, told Johnson and Firth Brown that he hoped it would be prepared to participate in the private sector solution to Dunford and Elliott's problems.

Incredible

October 27 was the crucial date in this affair, Mr. Lloyd said. Mr. Ling and his assistant went to see Mr. Sirkett, and in discussing the possibility of taking part in the underwriting, they were shown the confidential documents which the other potential underwriters had also seen.

Mr. Ling's reaction to the profits forecast was that the figures were "incredible."

At the end of the meeting, Mr. Ling's assistant was given permission to take extensive notes of the documents.

Mr. Lloyd said that the Prudential knew that Johnson and Firth Brown was interested in the possibility of an acquisition, since it had seen the letter written by Mr. Ling in July.

On October 28, Mr. Sirkett told Dunford and Elliott that the institutions wished to include Johnson and Firth Brown and GKN in the package. Dunford and Elliott, which thought that the consortium would consist solely of shareholders, were very surprised, but said they would consider the suggestion.

The next day the company asked Mr. Sirkett whether in the course of his discussions with Johnson and Firth Brown he had disclosed any confidential information. Mr. Sirkett said that he had—but not how much, or that the documents had been made available for notes.

Fault

In the next few days, Dunford and Elliott pursued inquiries with the Prudential to find out what had been disclosed. Mr. Lloyd said that in the opinion of Mr. Justice Mocatta (who on Tuesday granted the injunction preventing Johnson and Firth Brown going ahead with the bid) the answers given by Mr. Sirkett and Mr. R. Artus, the Prudential investment manager, had been "less than satisfactory.

"If there was any fault in disclosing these documents to a potential underwriter—which we were at the time—the fault lies at the Prudential's door, and the Prudential is not before the court."

All this time the Board of Johnson and Firth Brown's steel division was still interested in a bid rather than participation in the consortium—on the grounds that the latter move would bring responsibility without sufficient authority.

But on October 29, a meeting of Johnson and Firth Brown executives and their financial advisers, Lazards, decided in principle, to join the consortium, which was thought to involve a much smaller financial risk.

However, during the next few days Johnson and Firth Brown was told that Dunford and Elliott would not accept it as part of the consortium. With that option closed, Johnson and Firth Brown decided to press ahead with a bid for Dunford and Elliott, and on November 2 Lazards told Morgan Grenfell that it wished to have talks with a view to a takeover.

The next day a full Board meeting of Johnson and Firth Brown decided to make a bid, provided Lazards could arrange a £10m. rights issue. Intensive talks took place on November 4 and 5, and on November 8 the bid was announced.

The terms were based on the assumption that Johnson and Firth Brown's profits in the year to next June would rise from £6.1m. to £10m., while Dunford and Elliott, if it was acquired, could produce £3m.

The next day Morgan Grenfell asked the Takeover Panel to bar Lazards from dealing on behalf of Johnson and Firth Brown in Dunford and Elliott, on the grounds that Johnson and Firth Brown was in possession of price sensitive information. Before the Panel made a final decision on this point, Dunford and Elliott issued its writ.

However, Mr. Lloyd said that Lazards had been told by the Panel that but for the appearance of the writ, and subject to any significant new arguments, Lazards would have ben given the all clear.

The hearing continues to-day.

MP attacks unit trust investment in Japan

BY ERIC SHORT

PROMOTION of unit trusts investing in Japanese companies has been attacked by Mr. John Cartwright, Labour MP for Woolwich East.

He complains in a letter to Mr. Robert Sheldon, Financial Secretary to the Treasury, about the M and G Group's sending out promotional material urging investment in Japan and stressing that it was the world's major growth area in recent years.

Mr. Cartwright said that with Britain requesting the Japanese to reduce their U.K. sales voluntarily in certain important areas, it seemed illogical that British investors should be encouraged to invest in Japan funds urgently needed to regenerate British industry.

The letter also asks Mr. Sheldon what controls exist to regulate overseas investment operations, in view of concern about export of capital.

Mr. Edgar Palamountain, managing director of M and G, said there was already a strong restriction on overseas investment in the shape of the currency premium.

It was the business of the Government to create conditions in which U.K. investment was sufficiently rewarding.

Mr. Tim Simon, chairman of the Unit Trusts Association, said it was entirely inappropriate to differentiate between U.K. and overseas investment by authorised unit trusts.

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Airlines to review fares role of pound

By Michael Donne, Aerospace Correspondent

THE CONTINUED USE of sterling as a currency for basing fares by the world's main airlines is to be considered at a conference next February called by the International Air Transport Association.

The venue has not yet been settled, but it is expected to be in Europe, probably Paris or Geneva, between February 1 and 19.

All IATA's member-airlines, which together carry more than 80 per cent. of the world's scheduled air traffic, use sterling and the dollar as base currencies for their fares structures.

Fares are first calculated in one of the base currencies and then translated into local currencies in the different countries for ticket sales.

This system only works satisfactorily, however, when both the base currencies are relatively stable. IATA has a formula for handling small variations in exchange rates, but big fluctuations, such as this year's substantial depreciation in sterling, cause considerable problems.

Still unstable

These can be overcome by adding surcharges to sterling fares to ensure that as much of the depreciation as possible is offset.

So rapid has the fall in sterling been this year, however, that the surcharges out of the U.K. amount to more than 30 per cent. in some cases.

The airlines feel this situation cannot continue, especially with sterling still unstable. Accordingly they are thinking of abandoning sterling as a base currency for fares calculations and using either the dollar alone, or the dollar and another strong currency.

A further alternative is to use the Special Drawing Right (SDR) unit of the International Monetary Fund, which is based on a number of currencies and therefore offers a more stable basis on which to calculate fares.

Action urged on improving sub-standard housing

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

A "big increase" in renovation work is required urgently if Britain's stock of sub-standard housing is to be brought up to standard by the end of the century, according to a report published yesterday by the National Home Improvement Council.

The report, which is the Council's preliminary survey of the overall home improvement situation in the U.K., states that there are still about 3m. homes without basic amenities, most of which would be capable of sufficient useful life to more than repay the cost of improvement.

If these substandard homes could be modernised at a rate of 250,000 units a year—double the present rate—then every household could be provided with a habitable home within the next ten years.

The council believes that this rate of improvement could take place at no extra cost if public new housing work was stabilised at about the 1972 level. Moreover, the net benefit would be a gain of 80,000 more additional units to habitable stock each year than is at present accumulating.

"However, if the private new housing sector is unable to respond to the reduction of output in the public sector then a higher rate of improvement work may well be required to eliminate the further deficit of habitable stock to household demand."

More jobs

The replacement of £400m. of public sector housing work by £400m. of improvement work would create work for an additional 17,000 jobs in the building industry. A quarter of the work would be carried out by local authorities with the remainder in the hands of private contractors.

Mr. George Plunecknett, the chairman of the council, introducing the report said that its proposals would not cost the Exchequer "one extra penny."

"The nation's resources are not being spent where the need is greatest and a big switch in emphasis is wanted. Elimination of very poor quality homes for those with low income, the current regional distribution of grants and the share of aid between public and private sectors should be examined.

"In terms of sheer human misery, if there is action which can be taken now instead of next month or next year and in spite of present economic difficulties then there is absolutely no excuse for delaying the necessary decisions a moment longer."

Among the report's main recommendations is the urgent re-examination of the improvement grant scheme. It says that the relationship between public sector grant aid and private sector aid must be rethought as the average grant for each local authority home is more than three times the private grant.

There should be an immediate increase of 100 per cent. in eligible costs as an interim measure and improvement support should not be confined to the bottom of the housing market.

"Relief and encouragement" was also needed higher up the housing ladder, not only to meet human aspirations but also to prevent premature obsolescence.

Improvement in U.K. Housing—a Reappraisal. NHIC, 26, Store Street, London, W.C.1.

U.K. paper industry 'at risk'

BY LORNE BARLING

THE LONG term viability of the U.K. paper industry is at risk as the production of more and more grades of paper becomes uneconomic, according to a report publish to-day by ICC BUSINESS RATIOS.

The report said industry had been badly hit by rapidly increasing prices of imported raw materials and by relatively cheap imports of finished products.

Those imports had been largely responsible for the industry's inability to pass on increases in costs.

The report, based on the performance of 60 leading U.K. paper companiese in the three years to the end of April this year, said profits at the high point of the industry's cycle had never been outstanding.

"The average return on capital for the three years improved from 12.9 per cent. in 1973-74 to 19 per cent. in 1974-75 and plummeted to 8.3 per cent. for 1975-76. There is no reason for supposing that this is the low point."

A similar report by ICC on paper merchants said sales in the same period increased 57 per cent., but most of the increase took place in the first 18 months.

The larger part of the rise resulted from higher prices and not volume.

The first half of the period was a time of buoyant sales and profits, and of extensive cost cutting.

The average credit time was reduced and the average rate of stock turnover and asset utilisation improved.

In the second 18 months sales growth almost vanished, profits went down and the stock turnover ratio and the credit period were reduced even more sharply.

Business Ratio reports on Paper and Board Manufacturers and Paper Merchants: ICC Business Ratios, 81 City Road, London, E.C.1. £36 each, or £60 for both.

Builders to submit 'survival policy'

By Michael Cassell, Building Correspondent

LEADERS OF the construction industry will have an emergency meeting with Mr. Reg Freeson, Minister for Housing and Construction, to submit what they regard as a policy for the survival of the industry.

Mr. Freeson has called a meeting of the construction sector's National Consultative Council on Tuesday. A Treasury Minister is expected to be present.

The industry's representatives will say — not for the first time —that the continuing recession throughout construction seems set to grow even worse and that unemployment may rise even further.

About 220,000 workers are jobless and the industry's output is down more than 20 per cent. compared with 1973.

Work in the design professions has plunged even lower, indicating the extent of the recession still to hit the rest of the industry.

Relaxation

Mr. Freeson will be told that the construction sector is determined to avoid any further damage as a result of public expenditure cuts.

Its proposals involve a minimum output programme for public and private sector housing work, increased improvement work, the relaxation of industrial development certificate controls and more Government support for the industry's export efforts.

Industry members of the Consultative Council said yesterday: "We will be setting before the minister a range of proposals which add up to a policy for survival. Much of this action can only be taken by Government and we will be asking Mr. Freeson to ack quickly."

Peart heads council to replace chief scientific adviser

BY DAVID FISHLOCK, SCIENCE EDITOR

THE GOVERNMENT finally has replaced its post of chief scientific adviser to the Cabinet—last held by Sir Alan Cottrell until 1974—with a 14-man Advisory Council for Applied Research and Development.

The chairman of the new council is Lord Peart, Lord Privy Seal, a senior member of the Cabinet. His deputy chairman is Sir James Menter, principal of Queen Mary College, London, and a non-executive director of Tube Investments.

The other 12 scientists or engineers named yesterday include Sir Peter Matthews, managing director of Vickers, Mr. Monty Pennell, deputy chairman of British Petroleum, Mr. Robert Clayton, technical director of GEC; Dr. Alfred Spinks, research director of ICI, and Sir Frederick Stewart, chairman of the Advisory Board for the Research Councils.

Resemblance

The terms of reference of the new council are to advise Ministers, and to study applied research and development in relation to national needs; the articulation of applied R and D with scientific research; future development and application of technology; and the international role of the U.K. in applied R and D. The council is to meet for the first time this month.

It closely resembles the Advisory Council on Scientific Policy, post-war precursor of the post of chief scientific adviser, which was originally under the chairmanship of Lord Todd, president of the Royal Society.

But the new council will have much stronger resoures, most conspicuously through the scientific secretariats under a chief scientist now set up in most Whitehall departments. The head of the Central Policy Review Staff, his chief scientist, and the departmental chief scientists are to be assessors.

Lord Todd said yesterday that what Whitehall needed was not one man in the role of chief scientist but a powerful independent group advising the Cabinet, with a brief to examine problems raised by the Government or raised of its own violition.

Full list

The members of the council are: Sir James Menter, (deputy chairman), Principal, Queen Mary College, London and non-executive director, Tube Investments; Sir John Atwell, British Rail (Scottish Board) and the Board of the Royal Ordnance Factories;

Mr. R. J. Clayton, technical director, GEC; Mr. D. Downs, chairman and managing director, Ricardo Consulting Engineers; Prof. D. W. Holder, professor of engineering science, Oxford University; Dr. A. J. Kennedy, director, British Non-Ferrous Metals Technology Centre;

Mr. Gavin Laird, member of the executive council for Scotland of the Amalgamated Union of Engineering Workers; Sir Peter Matthews, managing director of Vickers; Mr. M. M. Pennell, deputy chairman, BP and director of the Standard Oil Company of Ohio; Dr. L. Rotherham, formerly vice-chairman of Bath University;

Sir Norman Rowntree, professor of civil engineering, University of Manchester Institute of Science and Technology; Dr. A. Spinks, director of research, ICI; and Sir Frederick Stewart, Regius Professor of Geology, University of Edinburgh and chairman, Advisory Board for the Research Councils.

Seventies 'marked by doubts on State action'

BY DONALD MACLEAN

STRIKES, sit-ins and similar forms of industrial action have become increasingly used for "openly political ends," according to the 1976 edition of Social Trends, published to-day.

Strikes against the passage of the Industrial Relations Act through the Commons and by Health Service employees against private patients and student unrest had increasingly characterised the Seventies.

The report says that the last few years have been overshadowed by two economic factors: inflation and unemployment. There were exceptionally large fluctuations in the main economic indicators, including the rate of change of prices and earnings, unemployment, the balance of payments, the sterling exchange rate, stock market prices and the money supply.

Record post-war levels were reached in these fields and for the first time in decades the country experienced falls in its gross domestic product and in average real incomes.

Government incomes policies had tended, at least temporarily to make distribution of earnings more equal in percentage, though not in absolute terms.

There were few changes in the early seventies which could correspond to those of the late 1960s—abolition of the death penalty; changes in the abortion, divorce and homosexuality laws; abolition of theatre censorship; new gaming laws; and the lowering to 18 of the voting age and the age of majority.

Social Trends, 1976: SO, £6.90.

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Brokers calculate effect of CCA

FINANCIAL TIMES REPORTER

ESTIMATES of the impact of the proposed current cost accounting system on company profits have been prepared by London stockbrokers Phillips and Drew.

The firm emphasised that the figures had to be treated with caution because of the lack of complete information. In addition, when comparing companies allowance had to be made for their different accounting dates.

The stockbrokers estimated the effect of the CCA proposals on 120 companies and found that their aggregate pre-tax profits were reduced by about 45 per cent. in the current year and by an estimated 40 per cent. next year.

There was, however, a considerable variation between sectors. Banks, contractors, and stores were comparatively lightly affected. Textiles, shipping, paper and engineering were among the worst affected.

The earnings calculations assumed tax charges at 52 per cent. on CCA profits arising in the U.K., plus the overseas tax actually paid. On this arbitrary basis earnings fell rather more sharply than pre-tax profits—55 per cent. in the current year and 50 per cent. next year.

A fifth of the companies in the Phillips and Drew sample made a CCA post-tax loss last year and an eighth were expected to do so this year. More than 40 per cent. of the companies would have uncovered dividends this year.

Company	Percentage Changes Pre-tax	Company	Percentage Changes Pre-tax
Pilkington	−51	Allied Breweries	−72
A. P. Cement	−33	Bass Charrington	−58
BPB Industries	−53	Guinness	−48
R. M. Concrete	−85	Scottish & Newcastle	−35
Marley	−52	Whitbread	−59
Redland	−37	Granada "A"	−29
R. P. Cement	−52	E.M.I.	−30
Turner & Newall	−70	Grand Metropolitan	−117
Tarmac	−62	Trust Houses	−96
Taylor Woodrow	−26	AB Foods	−48
Wimpey	−37	Cadbury Schweppes	−49
Costain	−19	J. Lyons "A"	−197
BICC	−74	Ranks Hovis	−77
Chloride	−33	Spillers	−64
GEC	−36	Unilever	−15
Plessey	−75	Rowntree Mackintosh	−41
Birmid Qualcast	−75	Tate & Lyle	−8
Renold	−77	United Biscuits	−28
Dowty	−25	D.R.G.	−59
GKN	−68	Metal Box	−76
Smith Industries	−65	Boots	−33
Tube Investments	−104	B. H. Stores	−23
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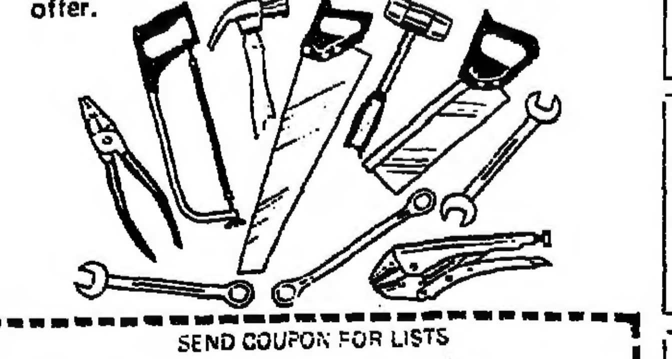

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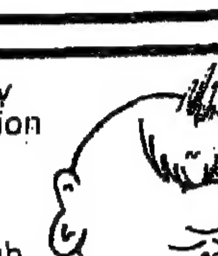

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Kenneth Gooding studies the case of the Wine and Spirit Association that the Chancellor should not increase duties on alcohol.

Mr. Denis Healey's Christmas carol

AT FIRST sight, the largest of current lost causes is the campaign being waged by the Wine and Spirit Association, an organisation which represents most of the U.K. shippers, wholesalers and retailers. The association is attempting to persuade the Chancellor he should not put up wine and spirit duties. The campaign reaches a climax this week when the association meets Treasury officials to put its case.

Both inside and outside the trade, it is assumed that Mr. Healey's pre-Christmas package of economic measures will involve some kind of addition to duty or VAT on drink. There is evidence of a buying spree like those which used to burst before annual Budgets. One big wine and spirit wholesaling group said last week it had already sold more drink during the past month than during the whole of the 1975 Christmas period.

Worth saving

Already alcoholic drinks contribute around £1.6bn. a year in excise duties, another £400m. in VAT and account for nearly 8 per cent. of all consumer spending in the U.K. Increases in duty have become significantly larger in the recent past. For the average drinker the sums involved in pre-Budget buying are certainly worth saving. The last Budget, for example, added 32p to the price of a bottle of whisky, 12p to sherry and port and 6p to table wine. This took the total duty element per bottle to £2.89 on whisky, 67p on port and sherry and 50p on wine.

Mr. Healey seems determined to get the value of duty on drink up to its 1969 level in real terms. He said as much in his 1974 Budget speech, but admitted that he had to hold back to some extent because of the inflationary effect such a move would have had on the cost of living index.

In fact, the recent rises have actually taken the real value of the duty on table wine above the 1969 level by 3p a bottle. But the Chancellor has a long way to go before catching up with other drinks. He would need to add 2.1p to a pint of beer, taking the average public bar price to 28.2p, while the average take-home price for a bottle of Scotch would have to go up to £5.70.

The wine traders cannot understand Mr. Healey's emphasis on this point, particularly at a time when one of the prime economic targets is to get the U.K. inflation rate under control. The association argues that competition has kept the price of wines and spirits from rising as fast as the general rate of inflation. The Price Code is playing no part at the moment.

To raise those prices which have not kept pace with the general rate of inflation to match the average level of inflation simply moves the average level up again, the association points out.

But to some extent that is a side issue. The main point the association has been making to the Chancellor this week is that if he really wishes substantially to increase his revenue from wines and spirits he ought to leave duties alone. All the evidence, they argue, shows that the rate of revenue increase is greater when duties are held down. Unfortunately for the association, it is just *not* true that the law of diminishing returns can take over and that revenue might actually drop if duties are lifted too high.

For example, the Customs and Excise annual report for the year to March 1976 showed wine revenue 11.9 per cent. up at just over £165m., thanks to the steep duty rise during the period. But, significantly that revenue was 12 per cent. below what the Treasury forecast it would be.

According to the association's calculations, the Treasury would have collected £15m. more in wine revenue this year had the duty not been raised in the last Budget. The traders arrived at this conclusion after studying wine clearances from bond in the year to the end of September which were 4.5 per cent. down on the previous 12 months.

The trade believes that the Customs and Excise statistics detailing clearances from bond are seriously understating the real position, and would put the real drop in sales at something like 6 per cent.—or around 30m. bottles of wine "lost" over the year.

Recession

Coupled with a 6.3 per cent. drop in spirits clearances—the best measurement of actual sales we have—this spells severe recession for the trade. To choose just a couple of examples of the effect this is having, there was the decision by Seagrams, probably the world's biggest liquor business, not to go ahead with its planned U.K. wine and spirit marketing build-up. Then there was the decision by Fitch Lovell, the food and supermarkets group, to put its wine and spirit offshoot, R. Gonzalez, up for sale. Jobs have been lost and investment is minimal because of this recession.

Investment decisions are also overshadowed by the fact that duty has to be paid on wine and spirits the moment they are withdrawn from bond. This means that on average the trader has to wait about six weeks before he gets the duty back from his customer and in the interim he has made what amounts to an interest-free loan to the Treasury. This loan totals around £100m. at least, cash the industry has to finance one way or another.

For at least five years the traders have been pressing for this system to be changed. The U.K. is the only country in the world, apart from Ireland, where no credit period for duty payment is given, they maintain. But the Treasury's reply is always the same: the country cannot afford to give up that amount of money just at the moment.

But Mr. George Bull chairman of the association, argues the Treasury could offset the impact of a change to a credit period both by phasing it over two or three years and by cutting its own costs. If a credit system were introduced, the traders would have to do more of the work involved in documenting revenue collection and there would not be the need for so many Excise officers. At the same time there could be a reduction in bonding areas.

The wine and spirit traders also emphasise the fact that the U.K. is now totally committed to the European Community: Britain would stand on more solid ground in its negotiations over the Common Agricultural Policy (CAP) if the Chancellor did not appear to be hammering so hard at sales of French and Italian wine.

There is also the danger that the Continental Europeans will retaliate and choose as a target Scotch whisky — a major revenue earning for the U.K. which brought in about £40m. from the EEC countries last year. Already the Italians have fixed a discriminatory duty on Scotch, making it more expensive than spirits derived from grapes — brandy in particular.

George Bull insists: "Our package would cost the Treasury nothing. But the trade would benefit from increased volume and a relaxation of duty-gathering costs. Employment would benefit from increased investment and extra jobs being created. The Ministry of Agriculture would benefit from a better bargaining position in Brussels. The Government would gain from conforming more to EEC *policies*. Consumers would gain from more reasonably priced products. Thus the country would gain from improved revenue, sounder trade, more jobs, better bargaining power in Brussels, more reasonably priced goods and happier voters. How can Mr. Healey resist such a package?"

Psychological

The answer as regards the forthcoming package, has perhaps been provided by stockbrokers de Zoete and Bevan in a recent circular they sent to institutional investors. The brokers agreed with the wine and spirit traders about the effect on revenue of increased duty. "Our own guesstimates—based on critical assumptions about total consumer spending, the level of drink spending both gross and net of tax and the rate of cost inflation—suggests that . . . it will be very difficult for the Government to achieve higher revenue from wines and spirits as a result of increasing taxes." In fact, 50p on a bottle of spirits, 12p on a bottle of fortified wine and 6p on a bottle of table wine would produce no change in revenue, the brokers insist. But "we do not rule out a purely psychological exercise to emphasise that luxury consumption is being heavily penalised."

This is another way of saying that it seems the British cannot be convinced that times are really difficult unless they are presented by the Government with extra duty on beer, spirits, wine and cigarettes. Perhaps the next task for the association should be some attempt to remove that psychological hang-up. After all, an organisation that is trying to convince Mr. Healey not to increase liquor duties is probably willing to tackle any problem, however unlikely a successful outcome might be.

U.K. ECONOMIC INDICATORS

General	1976 Oct.	1976 Sept.	1976 Aug.	1975 Oct.	1975 Sept.
Unemployment ('000s)	1,377.1	1,456.4	1,501.9	1,165.4	1,249.1
Unfilled vacancies ('000s)	139.8	141.7	129.8	132.0	143.4
Currency reserves ($bn.)	4.703	5.158	5.029	5.710	5.859
Basic materials (1970=100)	327.1p	314.1	304.0	252.2	243.2
Manfrd. prods. (1970=100)	229.5p	226.3	223.4	197.6	194.8
Bank advances (£bn.)	15.493	15.003	15.100	14.132	13.782
Retail prices (1974=100)	163.5	160.6	158.5	142.5	140.5
Wage rates (July 1972=100)	217.4	217.4	217.3	186.3	184.9
Terms of trade (1970=100)	79.1	80.5	80.8	81.5	82.2
	Sept.	Aug.	July	Sept.	Aug.
HP debt (£m.)§	2,465	2,430	2,386	2,257	2,249
Retail sales val. (1971=100)	206.4	204.3	199.9	179.2	175.8
Industrial output (1970=100)	102.3	100.8	101.8	100.0	98.9

Trade and Industry	1976 Oct.	1976 Sept.	1976 Jan.-Oct.	1975 Oct.	1975 Jan.-Oct.
Steel, weekly average ('000 tonnes)	457.7	426.0	428.6	402.0	388.1
Imports fob (£bn.)	2.582	2.508	2.285	1.945	1.795
Exports fob (£bn.)	2.222	2.132	1.976	1.728	1.543
Visible trade balance (£bn.)	−0.360	−0.376	−0.303	−0.217	−0.210
Cars ('000s)*	109	100	110	93	105
Commercial vehicles ('000s)*	29.9	28.5	30.5	29.6	32.7
Houses completed ('000s)¶	25.5	28.7	25.9	29.1	25.44
Bricks (millions)*	479	494	458	488	419
Cement, weekly average ('000 tonnes)*	299	314	308.5	353	331
	Sept.	Aug.	Jan.-Sept.	Sept.	Jan.-Sept.
TV sets ('000s)‡‡	279	169	194	237	206
Radios, radiograms ('000s)‡‡‖	343	275	298.2	372	380
Furniture (1970=100)†**	150	147	149.7	154	153
Petroleum (m. tonnes)h	6.059p	5.400	6.510	5.964	6.530
	Aug.	July	Jan.-Aug.	Aug.	Jan.-Aug.
Man-made fibres (m. kgs.)*	43.82	46.72	50.97	40.77	45.71
Hosiery (1970=100)**	99	95	96.25	98	95.6
Electric cookers ('000s) f†	65.9	63.3	75.0	59.9	74.0
Washing machines ('000s)†	51.8	48.3	71.5	51.2	83.1
Engineering orders on hand (1970=100)**	89	89	91.7	108	117.4
Raw cotton, weekly average ('000 tonnes)§	2.51	2.19	2.33	2.28	2.15
Raw wool (m. kilos)§	8.3	8.7	9.8	7.0	9.1
	July	June	Jan.-July	July	Jan.-July
Machine tools (£m.)‡	28.0	27.5	30.5	26.1	28.5

	1976 3rd qtr.	1976 2nd qtr.	1975 3rd qtr.	1975 2nd qtr.	1975 Year
Consumer spending (£bn. 1970 values)	8.860g	8.789	8.729	8.839	35.413
Motor trade turnover (1972=100)	177	176	151	148	143
	2nd qtr.	1st qtr.	2nd qtr.	1st qtr.	Year
Building and civil engineering (£bn.)e	3.163g	3.014	2.912	2.644	11.610

* Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally adjusted. †† All manufacturing industries. ‖ Excluding car radios. ‡‡ Deliveries, U.K. made and imported sets. d Prices. f Including cooker griller toasters. e Value of output. ¶ United Kingdom not seasonally adjusted. g First preliminary estimate. p Provisional figures. h Deliveries of petroleum products for inland consumption.

PARLIAMENT

Ships Bill row renewed

Foot faces angry Tories in dispute over hybridity

BY PHILIP RAWSTORNE

GOVERNMENT ATTEMPTS to speed the passage of the Aircraft and Shipbuilding nationalisation Bill through the Commons were last night angrily attacked as "an abuse of democracy" by the Conservatives.

But Mr. Michael Foot, Leader of the Commons, said that the legislation — blocked by the Lords in the previous session—had to be enacted as soon as possible "in view of the serious consequences of uncertainty for the industries and for those employed in them."

Mr. Foot moved a Government motion to suspend Commons Standing Orders and avert any possibility of the Bill being challenged as "hybrid."

Special procedures for hybrid Bills, which are judged to treat similar companies unequally, would involve lengthy delays for the legislation.

The Government's motion also *sought a formal committee stage* instead of subjecting the Bill to another line-by-line examination in the Commons.

Mr. Foot said that the Government's purpose was "to allow this House to assert its supremacy over the non-elected and irresponsible House of Lords and to do so quickly."

Referring to the doctrine of the late Lord Salisbury that the Lords should not oppose measures in Labour Party manifestos, he warned that Conservative peers could provoke considerable constitutional difficulties.

Mr. Foot said relationships between the two Houses would be very much easier if Lord Carrington, Conservative leader in the Lords, accepted the doctrine.

"We are asking the House to assert that it wants this Bill in the form that it passed last year," he said.

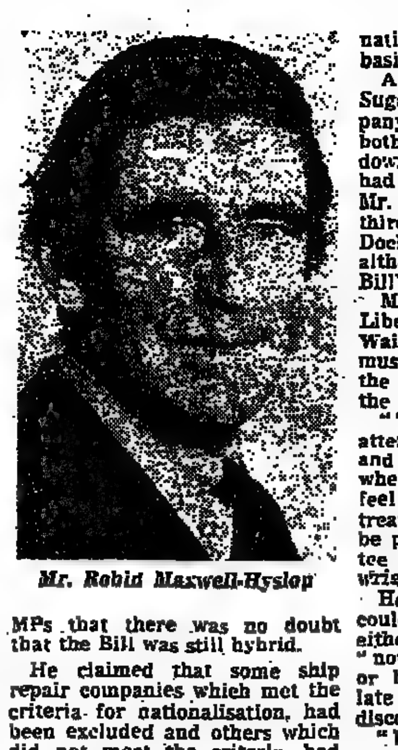
But amid Tory cheers, Mr. Francis Pym, front bench spokesman, rejected the Government's moves.

"This motion is an abuse of our procedures, of our democracy, of our Standing Orders," he said.

The purpose of the Parliament Act—under which the Bill had been re-introduced—was to give Parliament time to consider the *Bill further.*

And accusing Mr. Foot of trying to introduce "a severe and vicious double-headed guillotine," Mr. Pym declared: "It's up to the Government to get its legislation right." If the Bill were hybrid, it ought to be sent to the Parliamentary examiners.

Mr. Robin Maxwell-Hyslop (C., Tiverton), whose allegations about the Bill's hybridity held up its passage last session, told MPs that there was no doubt that the Bill was still hybrid.



Mr. Robin Maxwell-Hyslop

He claimed that some ship repair companies which met the criteria for nationalisation, had been excluded and others which did not meet the criteria, had been included.

The Government had decided which companies it wished to nationalise on an arbitrary basis, he claimed.

A subsidiary of Tate and Lyle Sugar Line, and another company, Westminster Dredging, both met the conditions laid down for nationalisation, but had been omitted from the Bill, Mr. Maxwell-Hyslop claimed. A third company, London Graving Dock, had been included although it did not fulfil the Bill's criteria.

Mr. Foot shook his head when Liberal spokesman Mr. Richard Wainwright said the Government must have been made aware of the serious risks of hybridity at the very beginning of this Bill.

"This is a most unworthy attempt to abandon a traditional and most important arrangement whereby private interests, if they feel they have been unevenly treated in a Bill, are entitled to be properly heard by a Committee of this House," Mr. Wainwright argued.

He resented most that they could be deprived of this right either because they were seen as "not terribly important victims" or because it had been rather late in the day when this was discovered.

"If these arguments were accepted in this House it would be the beginning of the end of our freedom. This is the way that liberties perish."

Prentice severs link with TGWU

By Rupert Cornwell, Lobby Staff

WITH A SAVAGE attack on the "special relationship" between the Labour Party and the trade unions, Mr. Reg Prentice, Overseas Development Minister, yesterday resigned from the panel of MPs sponsored by the Transport and General Workers' Union.

In a letter to Mr. Arthur Roger Todd, secretary of the TGWU's regional branch in London, Mr. Prentice argued that the intimate links of the two movements were among the most irrelevant and out-of-date features of the British political system.

They were also dangerous—an obstacle to both sides, whose jobs were different, he declared.

The unions, Mr. Prentice added, existed to represent the interests of their members in a dialogue with the Government of the day, irrespective of its political colour.

Emphasising that the decision was political rather than personal, Mr. Prentice—who is under intense pressure from his Left-wing constituency party in Newham, North East—underlined that he was campaigning for a Labour Party with policies based on the national interest rather than class war dogma.

To govern properly, the party had to abandon "the whole rigmarole" of affiliated membership, trade union-sponsored MPs, and the most dangerous practice of all—block votes at the annual conference.

No truth in European Community loan reports, says Callaghan

BY JOHN HUNT

REPORTING BACK on the results of the EEC summit in The Hague, the Prime Minister yesterday told the Commons that there was no truth in reports that the British Government is seeking further large loans from the Community.

Mr. Callaghan echoed the prophecy made by Mr. Denis Healey, Chancellor of the Exchequer, the previous day, that our balance of payments would be in surplus by 1978. He amplified this by saying that it would actually be in balance by the end of next year.

In addition, he emphasised that Government strategy would necessitate holding down consumer demand in the months ahead.

The Prime Minister was replying to Mrs. Margaret Thatcher, Leader of the Opposition, who said there had been Press reports of further large loans from the Community and the Prime Minister should tell the House the truth of the matter.

She complained that if Britain always went to the Community as a supplicant it would prevent us carrying out a more creative role at Brussels. Whereas we used to save ourselves by our own exertions, the present Government expected to be saved by the exertions of others.

Mr. Callaghan told her that further large loans from the Community were neither asked for nor offered. In a carefully qualified phrase, he then added: "There is no question of the Community, certainly not at yesterday's discussions, being involved in any direct sense."

The pursuit of the Government's industrial policy involved keeping consumer demand down in a way which the Opposition had never had the guts to do. If this were done, then the British people could indeed save themselves by their own exertions, he said.

"There is quite a possibility that if we continue with the existing policies we shall at least have a balance in our payments running by the end of next year and move into surplus in 1978," the Prime Minister declared.

Mrs. Thatcher was critical of the Government's handling of the Common Agricultural Policy and the controversy over the green pound during the negotiations. She wondered how much longer he expected to maintain the green pound at its present level.

If Britain was taking so much out of the CAP by way of subside, the Tory leader argued that it precluded us from criticising the policy and getting it revised. She also wanted to know what progress was being made on a Common Energy Policy.

In reply, Mr. Callaghan strongly defended the arguments he had put forward at the summit against any devaluation of the green pound. At present exchange rates, the benefit to the British consumer was going to run at £500m. and this was a very valuable aid in helping to keep prices down.

Mr. Callaghan said that at the meeting he had warned those who favoured the Common Agricultural Policy that if they got rid of monetary compensatory amounts, he doubted whether the CAP itself would survive.

"The benefit we receive from it is less than the cost of the surplus on milk products alone, and it follows that what is needed is to get rid of the structural surplus on milk products," he said.

"I have no objection to having a subsidy out of the Community if, under the rules, we are entitled to it. I have no doubt that the time will come, in other years, when we may well be a net contributor instead of a net receiver. We shall have to take the rough with the smooth."

On energy, he said there was a proposal that as there was no complete energy policy at the moment, the Community should concentrate on a common policy on conservation. He believed that work would be done on that.

Turning to the Tindemans report on European unification, the Prime Minister said it had been generally agreed that this could only be built gradually on the basis of existing institutions. Therefore, progress would not be so fast as some would like.

Mr. Callaghan said that the meeting at The Hague had shown that Community institutions were not sufficiently developed to provide common solutions to current problems which were being intensified by the growing divergence between the economies of member States. Nevertheless, the exchange of views would be helpful in resolving these problems.

Written Answers

TREASURY

Mr. Ian Stewart (Con., Hitchin). How will drawings be repaid under the central bank standby credit on December 9?

Mr. Robert Sheldon, Financial Secretary. The repayment will be made out of the U.K.'s foreign currency reserves.

*

Mr. John Loveridge (Con., Havering, Upminster). Could steps be taken to allow for tax relief a proportion of the cost of travel by rail to school for children up to 18 years who are unable to obtain concessionary rate season tickets because of their age?

Mr. Robert Sheldon. No. I do not think it would be right to single out this particular form of personal expenditure for tax relief.

*

Mr. Bryan Gould (Lab., Southampton Test). What effect on the sale of gilts is produced by: (a) the current rate for sterling, (b) the prospect of changes up or down in the rate and, (c) the prospect of changes in interest rates?

Mr. Dengil Davies, Minister of State. Reactions in the gilt-edged market are determined by a wide range of influences. Insofar as it is possible to make broad estimates of the impact of any one variable, this is only meaningful for changes in the specified variable rather than for its current level or rate. If the prospect of a sterling appreciation reflects improving trends in the domestic economy these same influences will probably also be helpful for sales of gilts by the authorities; conversely the prospect of a depreciation because of adverse domestic trends will tend to be unhelpful for gilts. The prospect of increases in interest rates, with an associated fall in gilt-edged prices, will tend to discourage the public from purchasing gilts; whereas the prospect of falling interest rates and rising prices will generally encourage such purchases.

OVERSEAS DEVELOPMENT

Mr. Farnk Hooley (Lab., Heeley). What provision has been made for the contingent liability on public funds arising out of assurances of support for the Crown Agents?

Mr. Reg Prentice, Minister. Token provision has been made in the Winter Supplementary Estimates to cover the liability arising from the technical insolvency of the Crown Agents. The Crown Agents have not so far needed to seek additional financial support from the Government and the Supplementary Estimates provision is necessary now only as a formal indication of the continuing contingent liability. This overall liability takes account of certain contingent liabilities on the Crown Agents arising from contracts for the supply of British goods and services, including defence equipment, undertaken by one of their wholly owned subsidiaries, Millbank Technical Services, to which I have given my specific agreement.

Defence cuts would seriously damage security—Carrington

IF THE Government cuts defence spending as part of the package to secure the IMF loan, it would put Britain's security seriously at risk, Lord Carrington, Opposition leader, said in the Lords yesterday.

In the resumed Queen's Speech debate, Lord Carrington said that the Government had singled out defence because in political terms it was easier for them than cutting out anything else. "And it preserves the unity of the Labour Party."

Lord Goronwy-Roberts, Foreign Office Minister of State, said that membership of NATO was the cornerstone of Britain's security and had first call on our defence resources.

"So long as the Warsaw Pact countries continue the build-up in strength of their armed forces, the cohesion and vigilance of NATO remains crucial to the rest of the Western world.

"The Government is, of course, committed to the policy of detente. But detente without security is a contradiction in terms," he declared.

Lord Goronwy-Roberts welcomed agreement on the Rhodesian independance date but said other major items of substance would need to be considered with urgency and goodwill on all sides if the conference was to meet its target date of December 20.

"We will do everything in our power to achieve an early and sensible conclusion of the conference. I remain cautiously optimistic that we shall succeed. The consequences of failure could be disastrous;

"The further expansion of the guerilla war would be in no one's interest and would bring with it the danger of introducing new sufferings for the African people and a new opportunity for externally promoted mischief."

For the Liberals, Lord Gladwyn claimed that detente had been shown to be an illusion. He warned that there must be a point at which the Soviet Union's vast preponderence of power was so overwhelming that it would be used to obtain political advantage to the grave detriment of Western society.

Lord Chalfont (Ind) warned that much of the West's economic prosperity and security in peace and war was at stake in South Africa.

The inevitable bloodshed which would be caused by the aspirations and resentment of black South Africans was even now being exploited by those outside.

Intelligent and practical policies were needed to take into account not only the appalling humiliations suffered by certain sections of the South African population but the interests of the West as well.

Welsh MP resigns PPS post over devolution

MR. IOAN EVANS, Labour MP for Aberdare, yesterday resigned as Parliamentary Private Secretary to Mr. John Morris, Secretary for Wales because he believes the devolution proposals to be divisive.

Mr. Evans claimed that the Government was getting its priorities wrong. "At a time when he should be maximising the unity of the people of Britain to solve our critical economic problems, we are embarking on a major debate to alter the machinery of government in Scotland and Wales which will prove divisive."

He said the government was asking local authorities to restrict public spending on essential services. Yet it was proposed to spend £3.8m., on an assembly building in Cardiff, and create a new tier of government with annual running costs of £12.5m.

"It seems strange that when the Government is calling for resources to be transferred from public administration to manufacturing industry, the number of civil servants in Wales will now increase by about 1,300 over forecast levels," Mr. Evans added.

Check on hospital security

MR. BRUCE MILLAN, Scottish Secretary, told MPs yesterday that he is already making his own immediate inquiries to satisfy himself that the incident at Carstairs State Mental Hospital the previous day did not reveal any obvious security deficiency.

In a Commons statement, Mr. Millan said that since proceedings were pending against two patients, Mr. Robert Mone and Mr. Thomas McCulloch, who escaped, it would not be proper for him to comment on the events. He expresesd regret and sympathy to the families of the three people who died.

Mr. Millan added: "The security record of the hospital has been a good one. In view of the nature of the incident, however, it is my intention to set up as soon as possible an independent inquiry into the circumstances in which the escape was possible and to report on any additional measures that might be taken in the interests of security.

"I wish to express by appreciation of the prompt, brave and effective action taken by the police, and of their ready co-operation with the hospital. I would also like to pay tribute to the constructive and devoted work done by the hospital staff in the care of patients, often in circumstances of the utmost difficulty."

Miners' early retirement wins support

MORE THAN 80 Labour MPs yesterday signed a Commons motion supporting the miners in their demand for retirement at 60.

Mr. Robert Kilroy-Silk, MP for Ormskirk, and sponsor of the motion, said: "It is about time we dropped our double standards. It seems strange that the most comfortable, well-paid jobs have early retirement whereas dirty, dangerous and physically exacting jobs do not."

The motion says the miners and other industrial workers should have the same rights to retire at 60 as others employed in the public service such as civil servants, local government officers, teachers, National Health Service employees, policemen, firemen and members of the armed services, some of whom have the additional advantage of inflation-proofed pensions.

Terry Kirk

Cabinet Ministers leave 10, Downing Street, after hearing Mr. Denis Healey's report on talks with the IMF. Left to right: Mr. Eric Varley, Mr. John Morris, Mr. John Silkin, Mr. Roy Hattersley, Mr. Stanley Orme, Mr. Albert Booth, Mr. Bruce Millan, and Mr. Reg Prentice.

Seat belts take back seat

MR. WILLIAM RODGERS, Transport Minister, told the Commons yesterday that he could not at present see when seat belts legislation would be possible.

LABOUR NEWS

Leyland toolmen to strike over pay differentials

BY ALAN PIKE, LABOUR STAFF

BRITISH LEYLAND toolmakers, who were involved a series of disputes in defiance of the pay policy earlier this year, are to strike on Monday in a new wave protest action over wage differentials and negotiating procedures.

Organisers of the stoppage said that by last night more than 5,000 toolroom workers throughout Leyland Cars had already decided to join the 24-hour strike and meetings will be held at more factories to-day.

Plants which have already voted to stop work include Longbridge, SU Carburetter, Castle Bromwich, Drews Lane and Common Lane in Birmingham; Jaguar in Coventry; Cowley and Oxford Radiator in Oxford; and the Triumph sports car factory in Liverpool.

Although Monday's action is only token, it contains a serious warning *for Leyland management*. The company's toolrooms have been in a state of uneasy peace since Mr. Hugh Scanlon and the Amalgamated Union of Engineering Workers executive told groups of unofficial strikers last spring that their pay demand could not be met within the pay policy and ordered them back to work.

Since then the toolmakers have formed a new, unofficial group to represent their interests and Monday's action will demonstrate their ability to take co-ordinated strike action on a company-wide scale.

The toolmakers have two aims—to resolve their pay differential problems and to secure a new, exclusive negotiating structure for themselves.

The first aim conflicts with the pay policy and the second is contrary to British Leyland's view of how the company's negotiating structure should develop.

Mr. Frank Barron, chairman of the unofficial toolroom group, said yesterday that plants where toolroom pay is negotiated in association with other groups were *demanding separate* negotiations from the end of current pay agreements.

Monday's strike was being called because the company refused to meet the toolmakers and discuss this.

On the differentials claim, the group says that there are differences in pay of up to £18 per week *between Leyland toolrooms.* "Skilled toolmakers at some plants could get the same money for sweeping the floor at other Leyland factories," said Mr. Barron.

Leyland, like many employers, is aware of the ill-feeling being caused by erosion of skilled pay differentials but is powerless to take corrective action because of the pay policy.

Efforts to reorganise negotiating structure are similarly handicapped, although the company is in any case seeking a more flexible structure than the one the toolmakers are demanding.

● The number of Leyland workers laid off because of the unofficial strike at the Rubery Owen components plant rose to 6,000 yesterday and Chrysler van and *truck output at* Dunstable was halted with 400 laid off.

At Ford's Halewood factory 700 men walked out after a welder was suspended, but the company official strike at the Rubery Owen hopes that work will resume to-day.

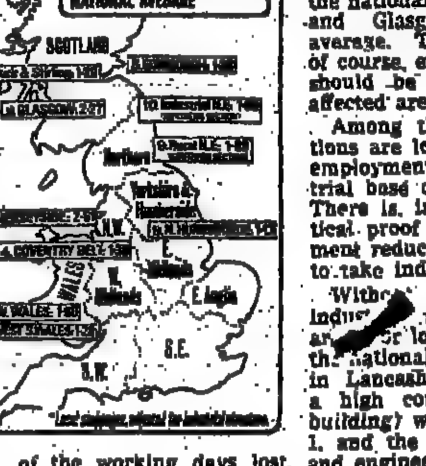
Merseyside and Glasgow most strike-prone, survey shows

BY CHRISTIAN TYLER, LABOUR STAFF

THE REPUTATIONS of Merseyside and Glasgow for above-average labour militancy are confirmed to-day by figures produced by the Department of Employment.

These two areas rank as the most dispute-prone in the country by a substantial margin, with South-West Wales as the runner-up. Another nine out of 61 areas are above the national average but are well behind these three.

At the same time, figures published in this month's DE Gazette show that strikes are confined to very few plants and sites. Only 2 per cent. of manufacturing plants had strikes at all in any one year between 1971 and 1973 when strike activity was generally high, and it is reckoned that 90 per cent. of plants are strike-free over very long periods. Even in the most "militant" areas, trouble is confined to 5 or 6 per cent. of factories, andl in the worst area (West South Wales)the figure is 8 per cent.



Explodes myth

Because of the investment implications of the regional figures, there has been a long-running argument in Whitehall about the wisdom of publishing them at all.

Finally it was decided that the presentational problem could be overcome. The Department of Employment itself thinks the figures, coupled with Britain's greatly improved strike record this year and last, could explode th emyth of "the English sickness."

For the first time, the Government can produce detailed statistics to preve to foreign and U.K. investors that very few plants even in the areas with bad reputations are responsible for giving British industry a bad name.

About 150 factories, it is estimated, accounted for nearly a quarter of the manufacturing stoppages in 1971-73, and 67 per cent. of the working days lost. Big plants—those with 1,000 or more employees—have the worst record, but even here only small numbers of workers are usually directly involved in strikes. The motor industry is the most obvious example.

According to the authors of the survey—part of a wider analysis of strike statistics — the poor record of some areas is due to a greater number of strikes in a few plants, not to a greater spread of strikes generally.

"Consequently, it does not follow that an employer opening a new plant in one of the subdivisions with a relatively poor record would necessarily suffer from similar industrial unrest," they say.

To arrive at a league table of militancy, the DE researchers have taken the number of days lost per 1,000 employees as a result of local stoppages and compared this with the national average. They have also adjusted the figures to assume that every area has the same industrial structure, in order to be "fair" to those areas which have a concentration of strike-prone industries like the docks, mining, the motor industry and shipbuilding.

This adjustment nevertheless leaves Merseyside with 2½ times the national average of days lost and Glasgow 2¼ times the average. The statistics do not, of course, explain why militancy should be high in the worst-affected areas.

Among the possible explanations are long-standing high unemployment, a declining industrial base or poor management. There is, incidentally, no statistical proof that high unemployment reduces workers' readiness to take industrial action.

Witho[illegible] the adjustment for indus[illegible] structure, the worst ar[illegible]r local stoppages against th[illegible] national average are Furness in Lancashire (where there is a high concentration of shipbuilding) with *a ratio of* 8.57 to 1, and the Coventry area (cars and engineering) with 6.33 to 1.

Fewer stoppages

The 2 per cent. of plants hit by strikes do, however, account for nearly 20 per cent. of the manufacturing labour force. Manufacturing itself accounts for two-thirds of all strikes and 80 per cent. of British exports. Taking the whole of industry, the sectors of high strike activity employ about 4m. people out of the 21m. U.K. total.

Meanwhile the Gazette's monthly strike figures show sustained improvement. October had the lowest number of stoppages this year although not the lowest number of working days *lost.* This brings to 1,662 the number of stoppages so far this year, compared with 2,102 in the same period last year. Working days lost total 2.76m., compared with 5.66m. Overall strike activity is running at a 23-year low.

Some of this month's Gazette tables are incomplete because of industrial action by DE civil servants protesting about staffing levels. Their action is to be reviewed to-morrow.

Power men agree to seek aid

By Max Wilkinson

DELEGATES from 11 unions representing workers in the heavy generating industry agreed on a common approach to the Government yesterday in a request for aid.

Differences of view between union committees from the major companies were argued, but the result, according to Mr. Stan Davison, assistant secretary of the Association of Scientific, Technical and Managerial Staffs, was "a remarkable degree of unanimity."

A formal approach to the Government will now be made by the Confederation of Shipbuilding and Engineering Unions, which will put the major demands to provide work and safeguard jobs in the factories. They include immediate ordering of a 2,000 MW power station at Drax B near Selby, and a rapid decision to go ahead with a nuclear programme based on the U.S. Pressure Water Reactor.

The Central Policy Review Staff's report on how the industry should be helped is likely to be published around December 15. The industry and the unions say that an early decision by the Government is essential if major redundanciesh are to be avoided in the new year.

Compromise bid in docks row

TALKS in the Portsmouth ferry dispute have ended in a compromise, the management of Britanny Ferries said yesterday, but the details have not been disclosed.

Negotiators for the Transport and General Workers' Union are still awaiting final approval to the terms from a mass meeting of Southampton dockers.

Increase in town hall workforce continues

THE NUMBER employed by town halls is still growing, according to Department of Employment figures on local authority employees issued to-day.

Despite the pressure for spending cuts and economies there were 3,248 more workers in local government in England in June this year than three months before.

In the year to June 21,511 people were added to the local authority payroll in England.

Welsh local authorities employed 351 more in June than in March and 4,145 more than in June last year.

The local authorities' quarterly returns of manpower show the biggest increases in England had been for recreation, parks and baths and housing.

There was a sharp drop in those employed in education this June compared with the total in March, *although the June figure* was still well above that for hte previous year.

Local authorities were employing 526,358 lecturer and teachers in June compared with 528,517 in March and 519,138 a year previously.

The reverse was true for local authority construction workers—in June this year 130,934 were employed compared with 130,68[illegible] in March and 130,571 in June last year.

● Hundreds of schools in the West Midlands were closed and other services affected yesterday when members of the National Union of Public Employees were on strike in protest against public expenditure cuts.

Mr. Alan Fisher, the union's general secretary, told a rally in Birmingham it was time for all Labour MPs to stand up and be counted. "They have got to say quite clearly that the Government must not accept cuts in public services, higher unemployment and rising living costs as the price of a loan from the IMF."

Protest at safety delay

BY OUR LABOUR STAFF

THE HEALTH and Safety Commission yesterday published the text of a strongly-worded letter to Mr. Albert Booth, Employment Secretary, protesting at the Government's decision to postpone the appointment of workplace safety representatives and committees on grounds of cost.

Mr. Bill Simpson, chairman of the commission, on which the TUC, CBI and local councils are represented, said in the letter that the necessary regulations should be put before Parliament immediately, even if implementation was delayed.

The commission believed some of the cost estimates had been unrealistic and that failure to give the go-ahead would undermine its credibility.

The TUC has reacted angrily to Mr. Booth's decision. The unions have for long regarded safety representatives as one of the important features of the Government's side of the social contract.

New telex link

The Post Office has added a sixth coastal radio station, Land's End Radio, to its medium range Radiotelex service.

Sealink change

FROM December 13 until March 19 the Sealink night service from London to Paris, Basle and Milan via Dover-Dunkirk will be retimed from 2230 to 2144 hours. From March 20 to May 21 it will leave London at 2244 hours.

هكذا من الأصل

صكنا من الاصل

FINANCIAL TIMES SURVEY

Thursday December 2 1976

ATLANTA

One of America's leading growth centres, Atlanta has been hard hit by the recession. Even so, it remains one of the busiest cities of the South, and a symbol to many of the resurgence of Dixieland they see also in the White House victory of Georgia's Jimmy Carter.

Instant city in a new South

By Jay Palmer

DESPITE BEING buried "deep in the heart of Dixie," Atlanta is not and never has been a typical southern city. Its roots lie not so much with cotton, peaches and "Gone with the Wind" antebellum aristocrats with white columns and black mammies, but rather with industry, commerce, transportation and services. While it has had its share of racial problems over the past century, it has nevertheless gained a justifiable reputation for being something of a liberal bastion, more interested in making money than preserving an antiquated status quo.

Atlanta has been described as the ultimate in U.S. "instant cities" an accolade of which it seems inordinately proud. If so, it is surely the instant city of the New South, the commercial and business centre of a region which, after more than 100 years of depression and recession, is at last starting to stretch its financial and political muscles. The city now, after a 15-year orgy of downturn construction and soaring skyline, really believes its own propaganda that it is "the world's next great city."

But Atlanta, like the rest of Georgia and indeed the entire South East, felt the impact of the recent 24-month long U.S. national recession more quickly and more harshly than the rest of America. Its growth rate suddenly plummeted from way above the national average, and almost overnight the property and construction boom—which had meant so much to Atlanta—burst. To-day Atlanta's grand office towers and its string of impressive hotels stand partly empty, waiting for the next economic upturn.

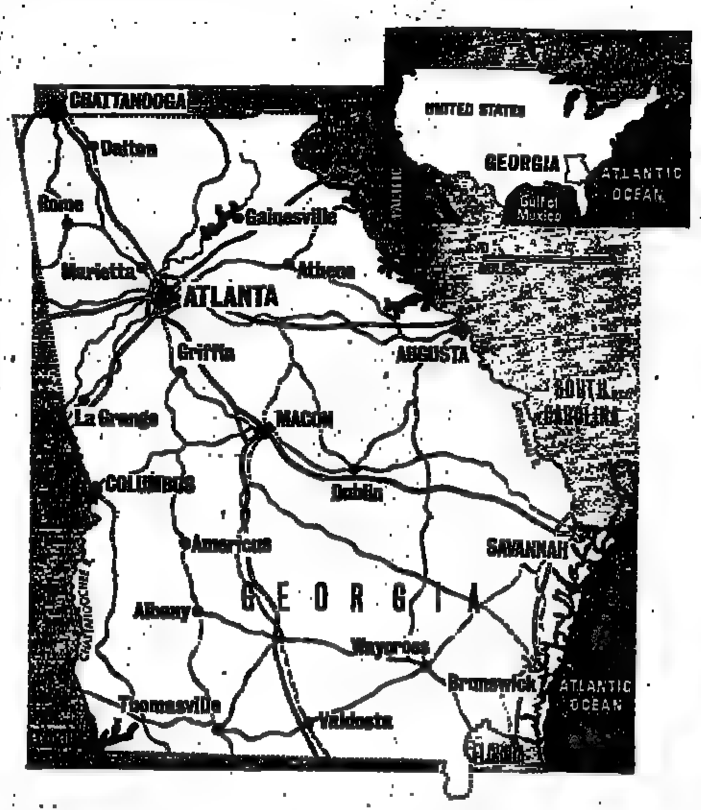
No one actually suggests that Jimmy Carter, the former Governor of Georgia, will be able to do much to help Atlanta directly from the White House when he moves in January. Nevertheless, with Atlanta businessmen, bankers and civic leaders making up a goodly part of the Carter entourage, there is in the city a strong undercurrent of optimism that Mr. Carter, as the first U.S. President to come from the Deep South in over 100 years, must refocus business and investment attention on his home region. Certainly his political success serves as the living example of the South's recent political recovery.

Atlanta's historical origins are almost a geographical accident. The city, originally called Marthasville and later Terminus, grew up around the arbitrary meeting point of two railroads. Its name to-day represents, in fact, a telegraphic shorthand for the Western and Atlantic Railroad. But it did not remain a railway village for long—its fast-growing importance as a regional distribution and transport centre was given the ultimate in back-handed compliments by General William Sherman when he raised the city to the ground on his Civil War march through Georgia to the sea.

Erased

But the city recovered from this man-made disaster quickly and by the mid-1870s, according to contempory newspaper accounts, "the scars of war" had been totally erased. While the rest of the Confederate South remained largely poor and linked to the soil, Atlanta—under the leadership of Henry Grady, the young managing editor of The Constitution—was already spearheading what was to be the first of many drives to attract northern and foreign investment.

Atlantans even then were already a breed apart: "They live fast and die fast, make money fast and spend it fast," an out-of-state newspaper reported. An editorial in an 1880 London Daily Telegraph talked of "arrogant Atlanta's swaggering and high-handed manner," while a grim joke of the time had it that Atlanta businessmen were negotiating with the devil to sell the rest of Georgia in exchange for their city's prosperity. Atlanta, not surprisingly, saw itself differently: "Our giant metropolis," the Constitution claimed, "is the creation of the day before yesterday and the example for to-morrow."



In addition to being the home town base of such large national companies as Delta Airlines and Coca-Cola, Atlanta has managed to turn itself into the ultimate in branch-office towns. At the last count it contains the southern or south-eastern regional headquarters for over 450 of the 500 largest manufacturing companies in the U.S.

However, unlike many other growing metropolitan areas, where satellite towns of business and dormitory centres spring up around the suburbs, Atlanta's downtown heart remains the city's heart.

To-day, despite the property and economic recession, Atlanta's centre boasts soaring office towers, shopping plazas, parks and imaginative futuristic hotels containing indoor lakes, spectacular 22-floor high lobbies and the seemingly mandatory rooftop revolving bars. Unusually among American cities to-day, Atlanta's downtown area remains alive in the evening.

Between 1960 and 1970 Atlanta built a total of 36 new office buildings containing an estimated 15m. square feet of space. In the preceding 30 years not one single office block was built. Since 1970 a whole new line of buildings have been completed, probably more than doubling the extra space additions of the earlier spurt. These buildings include the \$200m. Peachtree Centre, the \$14m. 14 storey Omni Complex (containing hotels, offices and retail zones) and the \$100m. 1,300 room Hilton, financed by Kuwaiti funds.

The driving force behind much of Atlanta's development and certainly its attempts to revitalise its downtown area is Mr. John Portman, the 51-year-old architect and developer. Mr. Portman, who likes to talk in visionary terms of creating "large and uplifting . . . dynamic urban spaces," and "people-orientated buildings," was actually responsible for the Atlanta Hyatt and Peachtree Centre, two of Atlanta's most impressive complexes.

But Mr. Portman, like the rest of the Atlanta property industry, did not allow for the fact that the property expansion was almost entirely based on projections of continuing economic growth and continuing population boom. The recession, when it came, hit hard. Office towers are now on average only 75 per cent. let, while hotels operate at below national occupancy levels. Existing estimates, based on a quick return to pre-1974 growth, suggest that it could take up to four years to use up and consume this spare capacity.

Alliance

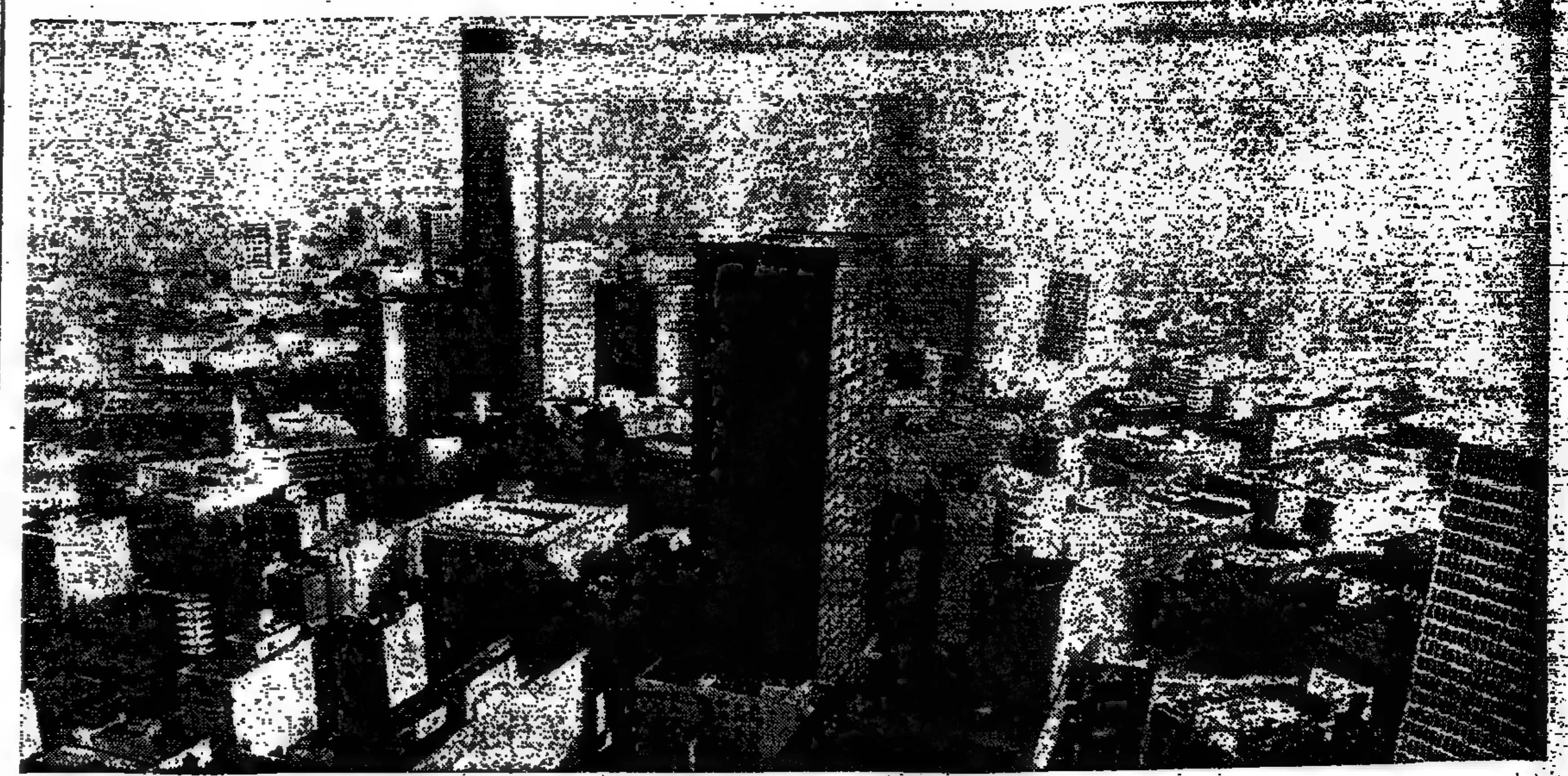
Historically, Atlanta owes much of its post-war success to the unusual alliance that existed between City Hall, on one hand, and the business leaders, on the other. But this traditional coalition was badly hurt in 1968 when business leaders backed the wrong horse in the Mayor's race and failed to anticipate the growing political clout of the expanding black population, which now accounts for well over half the total.

To-day Atlanta has a black Mayor, Maynard Jackson, elected with white support but nevertheless largely by the black population. Some of his policies, described by Whites as reverse discrimination, have placed a strain on the City Hall business links and probably indirectly contributed to what is chillingly described as "white flight" — the mass exodus of Whites from the city to the suburbs.

Some call it the northernisation of Atlanta. Certainly now the city seems plagued by many of the same problems afflicting northern urban areas — crime, urban poverty, troubled schools and a dramatic turnround in city population from white to black. Blacks now account for over 85 per cent. of city school attendance as opposed to 50 per cent. 10 years ago. As Whites move out, the city's tax base shrinks and the mayor's drive to provide more services to his black electorate becomes even harder.

The city which once described itself as "too busy to hate" is now treading a dangerous path towards racial trouble. The continuing if slow collapse of the urban core, combined with the continuing absence of massive manufacturing employment and the current high unemployment levels among younger Blacks, is clearly a potential breeding ground for trouble.

Even if there is not much that can be done, not all the signs are gloomy. There is now some reverse migration back into the city centre, and certainly the economy and out-of-state investment is picking up again. Having come so far to make its dream of becoming the world's next great city come true, it seems unrealistic to expect Atlanta's businessmen to sit back and allow the present troubles to triumph. Atlanta remains one of the most prosperous southern cities, and this gives it a headstart in the continuing boom of the sunbelt.



The Atlanta skyline is dominated by the 70-storey Peachtree Plaza, the tallest building in the South.

Slow economic revival

"THE MARBLE headstone came from Vermont and the coffin nails from Pittsburgh. The corpse was hauled on a wagon made in Indiana while the shovel handles came from New York. The cotton shirt on the dead man was made in Cincinnatti, his coat and breeches in Chicago and his shoes in Boston. The South, so rich in undeveloped resources, furnished nothing for that funeral except the corpse and the hole in the ground."

This bitter account of a Georgia funeral by the Atlanta Constitution's managing editor, Henry Grady, in the 1880s, vividly drives home the lack of industrial development that existed in the South after the Civil War. But at the same time, Mr. Grady was one of the first to forsee a new and different South, "the home of 50m. people and vast hives of industry."

His vision of prosperity was about 70 years premature. Throughout the entire second half of the 19th century and the first half of the 20th, the South remained largely an enclave of comparative poverty. Its per capita income in the 1890s was half that of the national average and there was little or no relative improvement until about 30 years ago.

It was *not, in fact,* until the tide of westward American expansion ran out into the Pacific and turned south after World War II that the term "New South" started to mean much in financial terms. Since then the South generally and the South East particularly have managed to outstrip the North in terms of virtually every single economic indicator.

Over the past 15 years, helped no doubt by the widespread introduction of air-conditioning, the population of the seven States constituting the South East has risen by 29 per cent., compared with a 19 per cent. gain nationally. Personal income has risen by 114 per cent. (up 77 per cent. nationally), while manufacturing employment rose 50 per cent., four times the rate of the U.S. as a whole. To-day the per capita income of the region is no more than 10 per cent. below that of the country.

Woven

Atlanta has long recognised that its ultimate economic fortunes are closely woven into the entire region—bankers in the city claim studies showing that growth anywhere in the South East generates jobs in the city—and certainly it was a prime beneficiary of all this relative growth. Although pockets of poverty do remain in Georgia (one in five of State residents live below the poverty line), Atlanta to-day exceeds Mr. Grady's wildest expectations.

Over approximately the same 15 years, the population of metropolitan Atlanta (which includes its immediate suburbs and thus makes no allowances for "white flight") has risen from 1.2m. to 1.8m., a gain of 57 per cent. Its motor vehicle registrations have risen by 157 per cent., while the number of passengers passing through its airport have multiplied by seven. Annual retail sales rose from \$1.4bn. to \$5.8bn., while clearings through the city's banks went up nearly four times to \$79bn. a year.

Although Atlanta likes to argue that its past and future economic fortunes are tied to the entire South-East rather than any immediate region, there can be no doubt that the State of Georgia's constant campaigns to attract new industrial investment have paid off for the city. Like the rest of the South, Georgia has promoted itself on the basis of a string of fiscal, financial and labour incentives, and with some success. Between 1968 and 1974, 1,677 new companies opened plants in Georgia, creating 88,000 new jobs through \$1.78bn. of capital investment.

But while the State was selling itself as a new place to start up business (most recently through its Brussels office), Atlanta had its own campaign generated and supported by its coalition of business and city government leaders. Not aiming until recently for manufacturing investment, the city promoted itself on the basis of its location in the midst of America's fastest growing region. Aiming at companies, it gave executive red carpet tours through the city selling cultural amenities, its "gracious life style," and its transportation facilities.

One of the strongest appeals of moving to Atlanta, according to almost every urvey, is its excellent airport. The old joke is that when you die, whether you are going to heaven or hell, you will have to change planes in Atlanta. Certainly in terms of flight frequencies throughout the South-East, it offers an unrivalled service. Already the second largest airport in the U.S. after Chicago's O'Hare, it *is now the subject of a major* expansion.

Apart from noting Atlanta's above average growth over the past 15 years, it is hard to measure the city's degree of success in selling itself. Still there can be no argument that the city is now the headquarters town for the South East. At the last count some 450 of the largest 500 U.S. manufacturing companies have regional or top offices in the city. In terms of the largest 200 companies in the South alone, it leads the city's list as the home of 28 of them.

But, like the rest of the South, Atlanta was badly hurt by the last U.S. national recession in 1974. Its growth rate, once way over the national average, fell back. Its unemployment, to all intents and purposes non-existent in the 1960s and early 1970s, rose to well above the national average. For the city, it was especially traumatic. Arguably it was Atlanta's first recession in over 100 years—it had never known the booms of the 1920s to any extent and it had not felt the impact of earlier national slowdowns in the 1950s and 1960s.

Part of the severity of the slump can be directly traced to the degree to which local industries were affected. Textiles are important and they were badly hurt. The city has three auto plants on its outskirts and the extent of worker layoffs there matched or even exceeded that of Detroit. At the same time passengers and freight through the airport fell, Lockheed Georgia (based outside the city but nevertheless a big employer) laid off more workers, while regional offices in the city (its ultimate lifeblood) were cut or recalled.

But far and away the severest impact of the recession came on Atlanta's once-booming construction industry. The boom in population and flood of new headquarters throughout the 1960s had sparked off a massive and virtually uninterrupted boom in building offices, homes and apartments. Not unnaturally, given the lead time required to put up a new building, a good part of this was anticipatory. Suddenly the demand was no longer there and Atlanta, for the first time in years, was left with a severe glut of property.

Exactly how much building was going on in Atlanta during 1960-74 is almost impossible to measure. In terms of additional office space in downtown Atlanta alone, one guess is that over 30m. new square feet came on to the market. What is possible to measure now, however, is the degree of the property slump—which one banker described as being only comparable to the "South Sea bubble" or the "Florida Marshes" bust.

Reserves

While Atlanta banks have sharply increased and in some cases doubled loan loss reserves to allow for bad property loans, local employment in the construction industry has fallen from a peak of 50,000 jobs in early 1974 to not much over 30,000 now. The number of house building permits issued dropped 43 per cent. in 1974 before falling yet another 26 per cent. last year. Office buildings in Atlanta now stand on average only 74 per cent. occupied, with some newer buildings having an occupancy rate of no more than 26 per cent. Various estimates suggest that there may be as many as 26,000 unsold or rented apartment units, 27,000 undeveloped residential lots and at least 9,000 unsold private homes.

Although there are grounds now for beginning to argue that property building confidence has swung too far towards caution and that a pickup in two years or so could quickly require buildings which ought to be strated now, it remains that Atlanta will be a buyer's market for property for some time to come. Even if one takes the very optimistic suggestion that Atlanta can and will soon return to its pre-1974 growth rates, it will still take four or five years for business office slack to be consumed and perhaps between two or three years *for apartments and home supply* to drop to normal.

This same glut occurred in the city's hotel industry. Over the course of the 15 years, Atlanta saw a good many new hotels going up—including the spectacular Hyatt, the towering Peachtree Plaza, the new Hilton and the Omni hotel and office complex. Although Atlanta is the third most popular convention city in the U.S., after Chicago and New York, occupancy levels at its hotels are still low compared to the rest of the country and they are probably not doing more than breaking even.

In direct comparison with Georgia the rest of the south-east or indeed the U.S. as a whole, Atlanta is still not showing so strong a recovery, thanks to the continuing weakness of its construction industry, the drop in employment in which accounted for 40 of total employment slump. The city's unemployment rate remains above Georgia's average at just over 7 per cent. and its growth in new jobs is now well under half that seen in 1973.

All the same, the numbers are picking up and few in Atlanta are still pessimistic. "I hope there is no return to euphoria," says one banker, "we need a time of peaceful recovery." Over the longer term Atlanta still has a lot going for it. Convention business is forecast to pick up strongly thanks to the available hotel rooms and the new world congress centre. The airport expansion should ultimately attract new business, while the pending Atlanta-London international route must aid the city internationally. Certainly, despite this latest slump, the U.S. Federal Government is still suggesting that Atlanta's population will increase by 50 per cent. over the next 15 years and that means still more growth.

Jay Palmer

Discord over transport plans

ATLANTANS, THEIR freeways jammed with rush-hour traffic, turned in 1968 to a solution which many thought would be a panacea for their transportation ills: a rapid transit network projected, at that time, to cost some \$300-400m. Eight years later, construction on the first portion of the rail systems is well along but the projected price tag on the completed project has risen to \$2bn. and no one is sure that is the final figure.

This cost escalation, characteristic of such projects elsewhere is just one of the points of controversy to dog the city's rapid transit plan since its inception. It was not universally acclaimed in the first place, and has many detractors to-day among those who believed that a totally busway system would be more flexible than the fixed and costly rail network, originally envisioned to cover 53 miles but, in its first phase at least, funded for a system of only 13.9 miles of rails, fed by bus lines.

Rapid transit was viewed by Atlanta's leadership as the solution to burgeoning growth. Unrestricted by natural barriers, Atlanta has expanded swiftly from the centre outward into a sprawling suburban ring around the older, inner city which the suburbanites vacated and left to lower-income blacks and whites. Freeways, virtually obsolete from the moment they opened, were jammed with traffic into and out of town. A rail system was viewed not only as an alternative to automobile travel, but as a source of revitalisation for the inner city and a force in shaping the physical growth of Atlanta. The system as planned follows the basic north-south, east-west freeway system, with the two major legs intersecting in downtown Atlanta.

Suspicious

The first sales pitch to the voters was heavy-handed and paternalistic imposed from above on a populace which had little say on the matter and remained suspicious about the motives of rapid transit advocates. On November 5, 1968, they defeated the first rapid transit referendum. Virtually the entire black community opposed it.

Sadder but wiser, the business and political leaders started again, this time determined to avoid a soft sell approach and determined also to broaden the base of support by enlisting the active participation of the citizens. MARTA (Metropolitan Atlanta Rapid Transit Authority), now a bi-racial body, listened to citizens' objections and shaped their plans accordingly.

Two key elements were achieved: a long-term commitment for a 15 cents fare as an inducement to the inner city poor and a 1 per cent. sales tax earmarked for rapid transit funding. This time in November 1971, the system was approved but narrowly, and only in two of the five urban counties.

Since the election, MARTA has moved steadily ahead over one hurdle after another: escalating fuel costs for its bus system, which was purchased from an existing company; rising land acquisition costs; feuds with neighbourhood groups opposed to rail lines in their areas; a fierce battle with the U.S. Labour Department over what wage scale to pay construction workers; engineering and other delays, and a bitter dispute with central Atlanta businessmen over how much disruption would occur from construction of the subway portion downtown (MARTA finally

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ATLANTA III

Bankers learn their lesson

THE LAST couple of years have, generally speaking, been troubled ones for the U.S. banking industry as a whole. But however common and widespread the crisis of problem loans, no banks in America have more right to moan about this subject than those located in the South-East. It has become very clear that this geographic region has suffered far more than any other area in the country.

Simply, by far and away the largest loan losses (in terms of the proportion of total outstanding commercial loans) occurred within the Atlantic sun-belt. Banks located within the Federal Reserve's Sixth District, headquartered in Atlanta, reported on average "bad loan" charge-offs of nearly double the national rate.

In the Sixth District—which covers Georgia, Florida, Alabama, Eastern Tennessee and Southern Mississippi and Louisiana—the average member bank write-off reached a peak 1.16 per cent. of total loans against the national average of merely 0.79 per cent. Another study, by Atlanta's only home-grown investment bank, Robinson-Humphrey, shows that in 1975 17 of the 25 highest individual bank charge-offs were at southern-based institutions. Four of Atlanta's five largest banks were among the 20 hardest hurt.

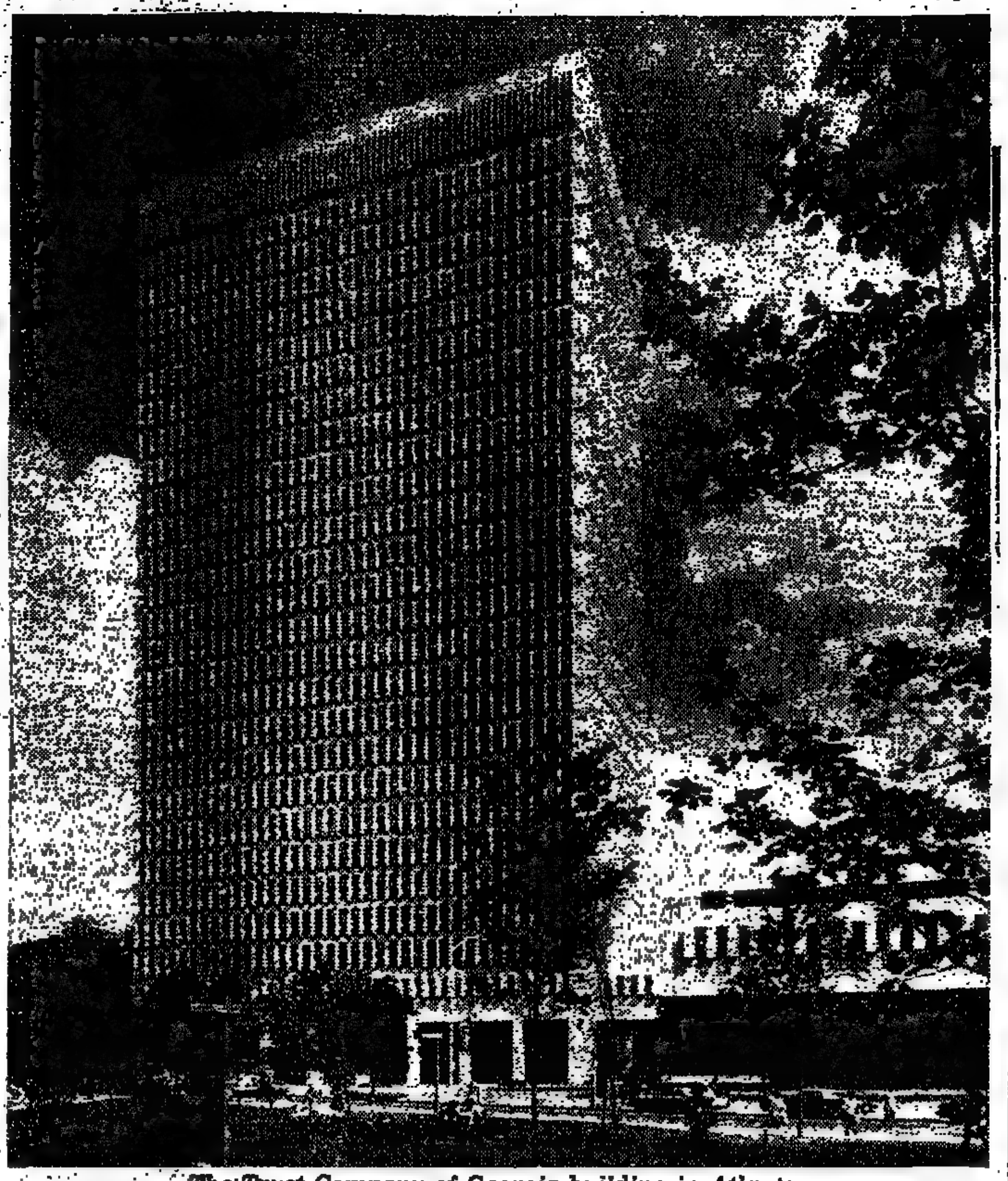
Misfortune

The reason for this apparent concentration of misfortune in the south lay with this region's banks' very heavy involvement with the property construction boom. Until the onset of the recession, this sector was one of the fastest growing and most credit-hungry in the area. When the boom collapsed, Florida's second home industry and Atlanta's massive downtown office and residential builders were the first to feel the pinch. Now, looking back, property loans may have only accounted for—say—30 per cent. of total loans, but they nevertheless often now make up 75 per cent. of total bad debts.

In the words of one Atlanta bank's 1975 annual report: "Until 1974 the South East had been fortunate for it barely felt the tremors that affected the U.S. economy in the 1950s and 1960s. But the 1974-75 recession hit our part of the country full force ... this (earlier) rapid growth fostered a boom in the construction and real estate industries ... and most banks accepted their responsibility to help finance the development of our region. It is this very segment of the economy that has been hardest hit."

But to say that Atlanta's banks were so badly hurt just because property was the town's biggest boom industry does not tell the whole story. "Our critical mistake," says Mr. Dick Kattel, the young Chairman and Chief Executive of Atlanta's largest bank, Citizens and Southern, "was that we kissed every pretty girl that passed by. We were not discriminating enough." Indeed Atlanta's banks, like the property developers and speculators themselves, got totally carried away by the property boom. They forgot that the growth was based on the booming economy and population and that no good thing goes on forever.

Atlanta now abounds with possibly apocryphal stories of bankers at the height of the boom in 1972 and 1973 falling over themselves to lend small fortunes to untested developers at five or more percentage points above the then prime lending rate of 12 per cent. Today banks are writing off these bad loans and foreclosing on property. On even the more optimistic of projections, suggesting a quick return to pre-1974 growth rates, it could take up to four years for Atlanta's excess building and residential property to be consumed.


The Trust Company of Georgia building in Atlanta.

ATLANTA'S THREE LARGEST BANKS 1975 (1974)

	Citizens and Southern		First National Holding Co.		Trust Co. of Georgia	
Income before securities transactions, $m.	15.8	(9.8)	7.0	(10.0)	0.67	(12.72)
Total deposits, $bn. ...	2.22	(2.17)	1.45	(1.53)	1.33	(1.26)
Total assets, $bn. ...	3.08	(3.09)	2.13	(3.45)	1.72	(1.75)
Total outstanding loans, $bn. ...	1.91	(2.17)	1.26	(1.39)	0.86	(0.94)
Total reserve against future loan losses, $m. ...	30.5	(29.5)	23.7	(15.1)	30.8	(7.2)
"Bad" loans write-offs, $m. ...	29.6	(35.1)	24.3	(14.2)	14.7	(8.1)
Percentage of "bad" loans from property	39	(44)	not known		50	(31)

But the signs now are far from bad. The economy is recovering and with it bank earnings. Atlanta's banks now have a new opportunity to spread branches across the whole of the State thanks to a change in Georgia banking law. This must ultimately give them a much larger deposit base and thus increase their commercial and industrial lending abilities. The prospects for a continuing economic boom across the entire South-East remains good, and Atlanta banks are in a prime position to catch much of this ever-increasing business.

Bankers in Atlanta now like to claim that their city, already recognised as the commercial and industrial heart of the South-East, is also the financial centre of the region. It is however probably much more accurate at this stage in the game to say that it is the only financial centre in the region. It is, if you will, the financial capital by default. Although no other city in the South-East contains such a concentration of large banks, their combined total asset size and lending abilities remain tiny compared to that of the money centre banks in the north.

Strong

But Atlanta does have at least a couple of strong points going for it. It is first the regional company city, containing as it does the South-East headquarters for virtually every non-southern-based company operating in the South. According to various studies, an ever-increasing number of these regional headquarters are being given independent financing authority—a move which must generate business for local bankers.

Second, apart from being the home base of the regional Federal Reserve Bank (whatever good that brings), it can now boast the addition of its first ever foreign bank office. Earlier this year, following the relaxation of Georgia state banking law, Barclays Bank opened a wholesale corporate banking office in downtown Atlanta. Although no-one is certain, this is believed to be the first time that any foreign bank has opened such a corporate loan generation plant in the South-East.

Corporate

Barclays, which already has a retail banking presence in New York and California, will not be allowed to take deposits or offer individual bank services in Georgia. "Our aim is corporate business," says Mr. David Burke, Manager of Barclays Atlanta. "We will take loans on our own books and generate business for the rest of the group without facing any lending restrictions in terms of giving too much to any one customer. We can help European companies come into this expanding market and aid local companies overseas."

That Barclays has picked itself a growth market does seem to be borne out by the future growth predictions for the region. What applies to Barclays, however, must aid local banks even more. Armed with a much greater degree of caution, it seems hard to produce a future scenario of nil growth for Atlanta's banks.

J. P.

Transport

CONTINUED FROM PREVIOUS PAGE

yielded by abandoning its so-called "cut and cover" proposal in favour of outright tunneling).

Work is well along, however, on the first portion of the east-west line and also on the downtown terminal. The original 53-mile system, which shrank to 14 miles as a result of economic forces such as reduced federal revenues and inflation, is still envisioned as an ultimate objective, with leaders confident the money will be found to pay for the rest of the system when the time comes. Right now, the U.S. Government is committed only to pay 80 per cent. of the first, smaller phase, which is projected to cost over $1bn. alone.

MARTA has been, perhaps, the most visible public works controversy in Atlanta, but it is by no means the only one (private construction seems to escape this kind of dispute). Another project which ended in peace but which was begun in stormy controversy is the $35m. State-owned Georgia World Congress Center—a huge convention exhibition facility which the convention and hotel industries are depending upon to carry them into a prosperous future.

The proposal started peacefully enough in 1971 when State leaders joined Atlantans in the belief that Georgia's future lay increasingly in international commerce—and thus the State was seen to need a showplace equal to the ambition. Funding for initial studies were made, and the prospective location of the GWCC was to be north and east of the central business district, adjacent to the existing Atlanta Civic Center with its auditorium and smaller exhibition hall.

Complex

But Atlanta developer Thomas G. Cousins, then constructing the multi-purpose Omni International complex next to the Omni sports arena to the west and south of the central business district, offered to donate land for the Georgia World Congress Center if the State would agree to put it there. Thus the issue was joined, and some of Atlanta's most influential and prominent business leaders took sides on the question of location. Another prominent real estate entrepreneur, Mr. Ewell Pope, offered at one point to buy land near the Civic Center and give that to the State for the GWCC.

Obviously, the financial self-interest of the key real estate executives was involved, but characteristically, they also differed over what they saw as the broader public issues of traffic congestion, visibility and cost. The State finally decided to locate the centre adjacent to Omni International, and the issue appeared resolved (the State's position was that this was closer to State-owned real estate, which would thus appreciate in value). But then entered another Atlanta developer, Mr. James Cushman, builder of the now financially-strapped Colony Square multi-purpose complex, with a proposal to build the centre with private funds.

Mr. Cushman, who had supported Jimmy Carter for Governor, persuaded the Governor to intervene and postpone the actual start of construction on the exhibition centre until private funding could be achieved. In the end, however, private funding proved unfeasible and construction was begun on a tight schedule in 1975. The Georgia World Congress Center opened on time in September, 1976 for an apparel industry trade show. Just over a month later, the general public got an introduction to the facility when President-elect Carter held his election night victory celebration in the hall.

Tom Walker
The Atlanta Journal


J. Paul Austin


Mills B. Lane Jr.


Coretta Scott King


Andrew Young


John Portman


Maynard Jackson


George Busbee

The city's power base

[DUR]ING ITS YEARS of explosive growth, Atlanta's big decisions were made by a kind of "shadow" government—a casual and informal network of personal relationships among business leaders who, quite outside the statutory channels of political authority, made things go in Atlanta. If something was viewed as good for the city, they made it happen. And if, at the same time, it added to their income and power, that was all right too.

The base of power lay in the shadows of Five Points, Atlanta's financial district, rather than at City Hall, which for all practical purposes was an extension of the business community. These were the years of Forward Atlanta, a deliberate sales pitch by the community to the rest of the nation which helped catapult Atlanta into the ranks of national cities. Atlanta then broadened its horizons in the late 1960s and sought to become "the world's next great city," which was the slogan of an updated Forward Atlanta pitch.

The city was carried to national prominence by a relatively small number of influential business and civic leaders who conferred behind the scenes, often by telephone, or over lunch in the plush Commerce Club downtown, reaching consensus, ironing out problems or, more importantly, locating dollars to pay for what needed to be done. The man who guided the city through those years is Ivan Allen Jr., 65, chairman of Ivan Allen Company, *a business supply firm*. Mr. Allen's bold and progressive leadership helped to shape the moral climate in Atlanta. For unlike many sister cities in the 1960s Atlanta, by a deliberate decision of Mr. Allen and other leaders, was spared the wrenching racial violence that marked a turbulent era.

While Mr. Allen was "out front" before the public, working with him behind the scenes was a man whose contribution to the city is beyond calculation, and whose penchant for anonymity became a local legend. He is Robert W. Woodruff, 87, under whose leadership from 1923 until his retirement the Coca-Cola Company became a worldwide institution. Few major organisations or institutions in Atlanta have not received financial support from the "anonymous donor." Among the most fruitful were the Atlanta Memorial Arts Center, a memorial to a host of cultural leaders who were killed in a Paris plane crash in 1961, and the $10m. donation to Atlanta for construction of Central City Park downtown. Mayors, senators and even Presidents have received his private counsel.

Mr. Woodruff's successor at Coca-Cola, 61-year-old J. Paul Austin, chairman and chief executive officer, continues in his tradition of civic involvement, and has even been mentioned as a possible top-level appointment by President-elect Jimmy Carter. Mr. Austin in effect is one of the links between the leadership of the 1960s and the contemporary leadership at City Hall, which has taken a very different turn. He is a keystone figure in Central Atlanta Progress, a privately-funded organisation of businesses, individuals and organisations devoted to promoting the strength and growth of the central business district.

Credit

Although retired also, Mills B. Lane Jr., 64, former chairman and president of Georgia's largest bank, Citizens and Southern National, shares substantial credit for the direction of Atlanta's growth. During the 1960s, the often flamboyant Mr. Lane presided over a lending institution which is credited by the Atlanta real estate industry with almost single-handedly financing, or helping to finance, the city's physical growth.

Another Atlantan who bridges the decades is Harold Brockey, 67, chairman of Rich's, the Atlanta-based department store chain. It is generally conceded that the decision by Rich's management to maintain and even enlarge its expansive downtown store was a key factor in stabilising the inner city at a time when the suburban exodus of businesses and families had begun. Mr. Bockey, like his predecessor, the late Richard H. Rich, remains dedicated to the future of the central business district.

After Ivan Allen Jr. retired as Mayor, power shifted in Atlanta under the impact of two major new realities: the racial balance in the corporate city (Atlanta is now majority black in population) and the unexpectedly harsh impact of economic recession which has thus far robbed the city of any clearly-defined replacements of the Allens, Woodruffs and Lanes. The ties between City Hall and the Commerce Club were loosened, first under Sam Massell, long-time Vice Mayor and a businessman who did not win business community support, and continuing more forcefully under the man who succeeded Hassell, Mayor Maynard Jackson Jr., 38, the city's first black mayor. This change has brought a change in the configuration of influential Atlantans, since Mr. Jackson adopted a policy of broadening the political base and bringing all segments of the community "to the table" where decisions are made. He is controversial for such things as his insistence on "joint venturing" between white and black companies seeking public works contracts with the city.

More "at home" with the white business leaders is Jesse Hill Jr., 50, president of Atlanta Life Insurance, one of the nation's largest black-owned insurance firms. Hill was appointed by then-Governor Jimmy Carter as the first black member of the Georgia Board of Regents, which supervises the State's university system, and also is an influential voice in many organisations, both political and economic.

Influence

Two leaders of the Atlanta black community whose influence goes beyond the city are Mrs. Coretta Scott King, widow of Dr. Martin Luther King Jr., and King's father, the Rev. Martin Luther King, 77, pastor emeritus of Ebenezer Baptist Church. Mrs. King has carried on an active pursuit of her late husband's civil rights work as head of the Martin Luther King Jr. Center for Social Change in Atlanta. The Rev. King has been instrumental in maintaining racial peace in the city and has served as an unofficial adviser to Atlanta mayors and a vocal supporter of President-elect Carter.

Another black leader from Atlanta whose prominence goes beyond the city and state is Andrew Young, 44, a confidant of Dr. King's during the bitter civil rights struggles of the 1960s and now a member of Congress from Atlanta. Young was one of the earliest and strongest supporters of Mr. Carter's presidential bid.

Accompanying Atlanta's population growth, and indeed making it possible, was the work of a corps of real estate entrepreneurs who reshaped the city's skyline. One of the most influential is John Portman, 52, whose combination of architectural skill and business acumen produced the Merchandise Mart, which helped make Atlanta a major wholesale marketing centre, and the spectacular Hyatt Regency Atlanta Hotel, whose 22-storey atrium changed the direction of hotel design in America. Portman's major local accomplishment is Peachtree Center, a multi-purpose complex that is one of the anchors in a downtown hard pressed by the impact of existing business firms.

Another real estate developer whose operations, like Portman's extend well beyond Atlanta's borders is Thomas G. Cousins, 45, founder and head of Cousins Properties. While his activities encompass many forms of real estate, one of his most daring projects is Omni International — an enclosed multi-purpose downtown complex conceived as the first phase of an ambitious central city redevelopment project, which has been slowed in recent years largely by economic and demographic trends in the city.

From the new political and economic realities in Atlanta have emerged new leaders, including some of those mentioned above. An attorney and potential rival of Mayor Jackson's in the 1977 Mayor's race is Wyche Fowler Jr., 36, who was elected Vice-Mayor with Mr. Jackson but became president of the City Council upon enactment of a new City Charter. Mr. Fowler will presumably capitalise on whatever disaffection with Mayor Jackson has developed in the predominantly white business establishment in Atlanta, though Mayor Jackson will no doubt retain a hold over the black vote. Leaders insist such a Mayor's race would not, however, represent a purely black-versus-white contest.

Within the business community itself are budding successors to the retiring leaders of the 1960s. One of the most prominent is Joel Goldberg, 51, president of Rich's, who shares with Mr. Brockey a strong involvement in many phases of the Atlanta civic, business and art worlds. Mr. Lane's successor at Citizens and Southern is Richard L. Kattel, 40, who heads what is essentially a State-wide banking organisation. Bert Lance, 45, gained national prominence recently when President-elect Carter said he would be named to a cabinet-level post (either director of the Office or of Management and Budget or Secretary of the Treasury). Mr. Lance is a relative newcomer to Atlanta. A small-town banker initially, he served under Governor Carter as head of the State Highway Department.

Younger leaders in Atlanta recognise the role their city plays in the broader State and regional communities. But a South Georgia native who is a temporary resident of Atlanta by virtue of his election as Governor is attorney and veteran politician George Busbee, 49. Governor Busbee is one of the few State chief executives openly and persistently to support the growth and fortunes of Atlanta in a State traditionally split along rural-urban lines. He is an advocate of stronger ties between the State and its largest city as both seek roles which Governor Busbee perceives to be international in scope: Georgia as a trade gateway to the south-east, and Atlanta as an air-age port of entry.

Tom Walker

Mr. Carter and Mr. Young

LOGICALLY, Atlanta ought to dominate the politics of Georgia. In the last few months, indeed, it has sometimes seemed that the city was even laying a claim to be the second most important political centre in the U.S., as Mr. Jimmy Carter celebrated his presidential election in triumph and as streams of directives and opinions, bearing the names of Atlantans who, before the advent of Carter, nobody had ever heard of, suddenly became the talk of the nation.

But appearances can be deceptive. To be sure, there is a well of Atlanta expertise on which the President Elect draws for his political and economic advice: to be sure, he said that he owed his election more to Andrew Young, the black Atlanta Congressman, than to any other man in the country. But it is easily forgotten that Jimmy Carter's first step on the road to political fame was made by very deliberately running against the Atlanta establishment: that he co-opted it later was secondary.

It is classically said that there are two Georgias—metropolitan Atlanta and the rest of the State—and there is a long tradition, still alive to-day, which suggests that the sure course to political power in Georgia is to take on the city of Atlanta. In good measure, this is the stuff of the populist southern tradition which has always been strongest in the countryside and in the small towns. At the turn of the last century it was Tom Watson, with his appeals to the rural "wool hats," who made it work, and it was later refined to an art by Eugene Talmadge, Governor and senator, forever snapping his red galluses (braces) at country fairs and disguising the acuteness of his own political senses by inveighing against the sophistication of big city politicians.

It might have been supposed that the rise of the New South in the last generation would have laid this tradition to rest. But Jimmy Carter, a personification of the New South, used it to the best advantage in his campaign for the governorship in 1970 against the capable, progressive Carl Sanders, who had the solid backing of the Atlanta establishment. In that campaign, Mr. Carter, who sought invariably to portray himself as a peanut farmer from Plains and not as a competent agri-businessman with advance social policies, lost Atlanta but carried the State: four years earlier, Lester Maddox, the epitome of the old bigoted South, had ridden his bicycle backwards along the country lanes of Georgia and thrust aside the challenges of Ellis Arnall and Howard Callaway.

Even more recently, in 1972, another sophisticated country boy, Sam Nunn, then an unknown State representative, pursued similar tactics, was defeated in Atlanta, but played on redneck feelings sufficiently successfully to become the new U.S. Senator from Georgia.

Mr. Carter's great achievement, however, was almost immediately to discard the policies he had advocated in his gubernatorial campaign as soon as he was installed in the State House in Atlanta. He had told Atlanta Blacks to ignore what he said and watch what he did, and the symbolic hanging of a picture of Atlanta's most famous black son, the Reverend Martin Luther King, in the State House was precisely the proof that black Georgians were looking for.

Confidant

Thus it was that Atlanta became the first congressional district since 1898 to send a black man from the Deep South to the Congress of Washington. The man was Andrew Young, Mr. Carter's close confidant, and he is clearly destined to make a major impact on the national political scene. Given the city's relatively progressive tradition and approximately 50 per cent. black population (in 1972, it even had a black Vice-Mayor, Maynard Jackson, who in 1973 became, and still is, Mayor of Atlanta), Mr. Young's election in hindsight does not appear surprising; but low black voter registration and the antipathy of white Atlantans had proved effective stumbling blocks to black aspirants in the past: Mr. Young campaigned heavily in white areas of Atlanta, was rewarded with 25 per cent. of the white vote, and, now, with black political interest surging, has established a seemingly secure political base.

It is this last factor—the awakening of black political power—which is threatening to rewrite the classical Georgian political textbooks, at least in part. It would seem that the day of the real racial bigot is drawing to an end: Lester Maddox is now a spent and pathetic force: at the same time, the other U.S. Senator from Georgia, Herman Talmadge, son of the notorious Eugene, has broken remarkably away from the narrowness of his political upbringings and is generally reckoned one of the more effective and intelligent, if sometimes uncommunicative, members of the Congress in Washington. Atlanta, once deeply suspicious of the name Talmadge, now approves of the scion.

However, the Atlanta versus the rest of Georgia conflict has now become secondary with the accession of a Carter presidency. Though Woodrow Wilson was born in Georgia and though Franklin Delano Roosevelt spent some of his happiest days in his "Little White House" in Warm Springs, Mr. Carter is the first true southern President in nearly 120 years. More important, irrespective of how he got there, he is indisputably a child of the New South, which in turn is epitomised by the city of Atlanta. Thus Atlanta may well claim to have one of its own in the highest office in the land.

Jurek Martin
U.S. Editor

Racial tension simmers

EVEN IN the days when its public water fountains carried the humiliating sign "For Coloureds only," Atlanta liked to describe itself as "A city too busy to hate." Certainly in comparison with other metropolitan areas in America's Deep South like Selma and Little Rock, Atlanta moved early and relatively peacefully towards full racial integration.

Following the enlightened self-interested advocacy of liberal mayors and business leaders, who saw resistance of federal desegregation as the surest path to economic suicide, Atlanta can now look back on the troubled 1960s with a sense of justifiable pride. But this pride over the past is now becoming overshadowed with growing fears about the future.

For whatever reasons, white flight away from the city to the suburbs shows little signs of abating or even slowing down. Relatively less well off blacks, drawn to the Mecca that Atlanta stands for in rural Georgia, are filling this city vacuum. The result has been a dramatic 15-year swing in the city's racial character that holds profound implications for local politics, city finances and, even, ultimately, the continuation of Atlanta's economic growth.

The federal Government's most recent (1970) population census shows Fulton County—which is effectively the Atlanta metropolitan area—to be a 39 per cent. black oasis surrounded by largely white communities. Within the city proper, blacks now account for over 55 per cent. of the total 1.8m. population, up from 38 per cent. in 1960. The city school system is now 85-90 per cent. Black, up in a gigantic burst from only 48 per cent. in 1963.

Although blacks still account for less than 50 per cent. of voter registrations in Atlanta, and there is thus still some way to go in terms of political proportional representation, the most immediate impact of this new black power can be seen in politics. The city to-day has a black mayor, Mr. Maynard Jackson, a 50 per cent. black city council, a black police chief and a black Congressman, Mr. Andrew Young.

Although both Maynard Jackson and Andy Young were elected with considerable white support (in the case of Young his election base was majority white), they both, like Jimmy Carter last November, owe a major political debt to the high turnout and support of black constituents. In the case of Maynard Jackson, this appears to have resulted in subsequent city policies which many describe as reverse discrimination and blame directly for the continuing white flight and the erosion of the city tax base.

Popularity

"However you measure it," one Atlanta businessman commented "Maynard's popularity with white Atlanta and especially white business Atlanta is not the best. It was once pretty good, but there is no way at all that he could receive in a new election to-morrow the 27 per cent. of the white vote that he captured in 1972. He sees his constituency as the low-income blacks and this was not what many expected."

The mandatory joint-venturing of city contract work between whites and other minorities is perhaps one of Mr. Jackson's least popular moves with the white community. Given the occupational capabilities and qualifications of blacks, some argue, this has resulted in many cases where less qualified and less skilled black workers have been employed over white competition.

While there just may be some truth in this emotional argument Mr. Jackson can hardly be faulted for trying to improve the relative economic lot of Atlanta's Blacks, even if it has, thanks partly to the national recession, meant taking away with his other hand from the Whites. In Georgia as a whole, the black median family income is still 40 per cent. below that of the Whites and, if anything, the ratio is probably worse in the city. In Atlanta, which has a city unemployment rate of 7.1 per cent., the Black community has pockets of unemployment as high as 20 or even 25 per cent.

This city core of unemployed and low income Blacks is obviously given the huge gulf between the "haves" and "have nots" in the area, a breeding ground for racial troubles. "Blacks," argues Dr. Charles King, the Black President of Atlanta's Urban Crisis Centre, "have won their basic civil rights dignity. We now must win our economic rights. This is much more difficult for Whites to accept but, until we win, racial tensions will rise."

The city is obviously aware of the problem. It is trying hard to attract light manufacturing and labour-intensive industry and move away from simply being a regional distribution and service centre. Business leaders are becoming concerned about the situation and pouring more money into both the downtown city business centre and the city's residential zones. But while there are some vague signs of reverse migration back into the city, the main direction of money continues to be outwards.

It is difficult to know exactly what sparks off White flight in the first place, and certainly it is by no means unique to Atlanta. Some argue that it is part of the increasing family mobility and the American dream of owning land in the country. It is noted in Atlanta that White flight appears to be an inaccurate term. It is really economic flight since middle-class Blacks are now also quitting the city's high taxes, its less attractive life styles and its high crime rates.

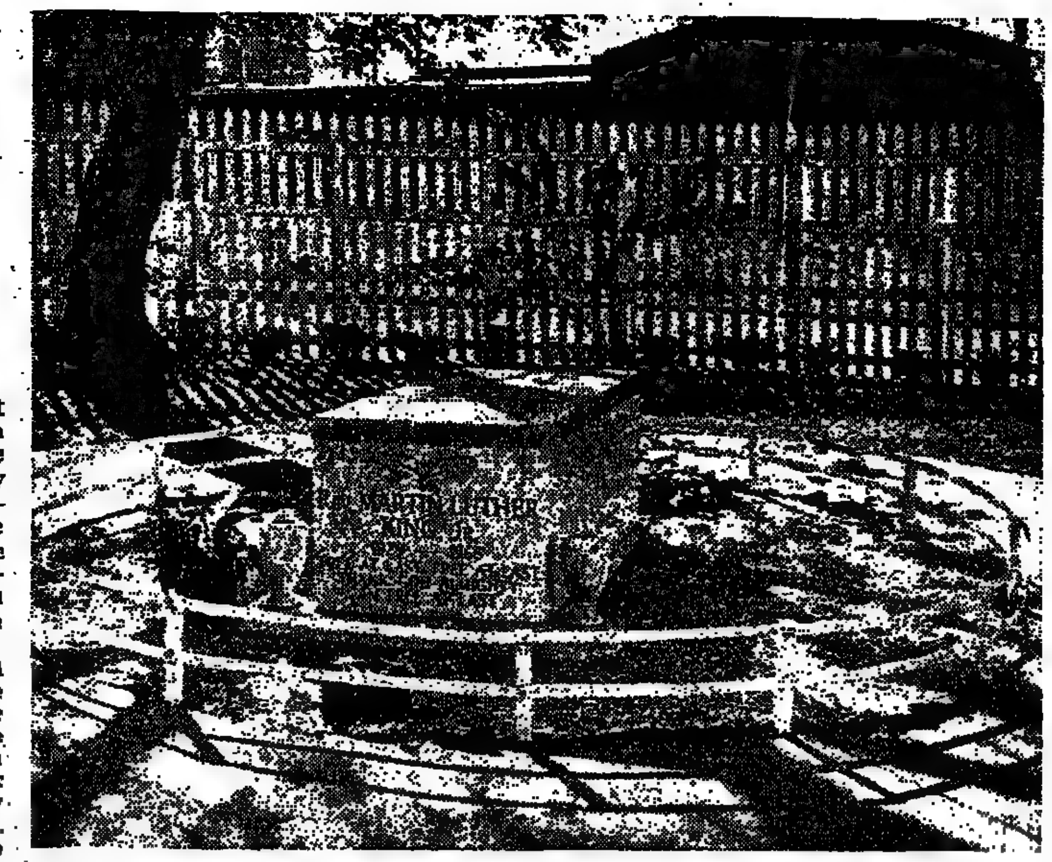
But whether or not colour of skin enters into the calculation (and given White concern over the nearly all Black city school system, it still certainly does), Atlanta's switch from high income to low income bodes increasingly ill for its tax base and thus ultimately the extent to which city expenditure can allieviate unrest among the Black population. Limited by law from deficit budget financing, Atlanta—if its moderate Black leaders are to keep the support of the increasingly disgruntled electorate—will soon have to either lift taxes or widen its tax base.

Any tax rate increase would have only doubtful value since it inevitably must increase the flight from the city. Still, the only other solution aside from federal aid, widening the tax base, is opposed by both city Blacks and suburban Whites. Blacks in the city centre see such a move in the light of diluting their new-found political power, while White, having escaped the city's ills, obviously do not want to get drawn back in.

Whether or not one sees eventual racial problems exploding out of the current situation depends very much on who one talks to in Atlanta. Although some business leaders admit to growing concern (especially over the possibility of extremist Black political leaders taking over City Hall), most vehemently reject scenarios containing major racial confrontations. Still Atlanta's Chamber of Commerce has now partly redirected the target of its city sales efforts away from foreign and northern companies to city residents themselves with its latest "Talk up Atlanta" campaign.

The vicious circle affecting Atlanta is, of course, not by any means unique and indeed has been described as nothing more than the northernisation of the city. Still doomsday predictions based on what Dr. King, a follower but no relation of Martin Luther King, calls the "suicidal division of the city into two societies" do exist. Perhaps though, it is simply as Don Bradley, a sociologist at Georgia State University in Atlanta, says: "The city that was too busy to hate no longer exists. It has grown up."

J. P.



The grave of Martin Luther King, Jr.: "Free at last, free at last. Thank God Almighty I'm free at last."

Business goes its own way

THERE ARE, to a visitor, many very good explanations as to why Atlanta grew so fast over the last 20 years—among them the economic boom of the entire South-East, the city's geographical location, its roads and its airport. But ask anyone actually living in Atlanta and the chances are that you will get a very different answer.

Almost inevitably, you will be told that Atlanta owes its historic strengths to the widely reported and almost unique coalition that existed between the city Administration and its business leaders during the hectic days of growth in the 1950s and 1960s.

In the same breath, it will be pointed out that this degree of co-operation no longer exists and that Atlanta is much the worse off for its lack. If indeed it ever existed at all, many claim, the honeymoon between Mayor Maynard Jackson and the downtown Atlanta industrial and commercial tycoons is now certainly over.

The turning point on this score for Atlanta came in the city elections of 1969. The retiring Mayor, Ivan Allen, ineligible to succeed himself after two terms, was a civic leader of the old school, who had resigned as head of Atlanta's Chamber of Commerce to run for office. During his tenure the interests of big business and city government were essentially the same and, as one businessman put it "They both wanted growth and they co-operated in getting it."

But in the Mayor's race, the White business power elite backed the wrong man. They either forgot or ignored the fact that Atlanta had become increasingly a Black city and their chosen candidate lost out to Mr. Sam Massell, a Jewish liberal, who, attacking the city's "power structure" and promising more aid to Blacks, received over 90 per cent. of the Black vote.

Closely

Although Massell during his time in office worked closely with the business community over such issues as Atlanta's rapid transit system, White business leaders admit to-day that they were never very comfortable with him. As far as Atlanta's business leaders were concerned, this was the beginning of the end of their political domination of the city.

In 1973 Maynard Jackson, the Vice-Mayor under Mr. Massell, beat his old boss and the Chamber of Commerce's candidate to become Mayor. Although black and elected very largely because of black support, Jackson did receive an estimated 27 per cent. of the White vote. Whites in Atlanta, including its old-time business leaders, suddenly found that they had swapped political roles with the Blacks—it was now their turn to be in a posiion not to elect a candidate of their choice but rather influence the degree of success of the dominant group's choice.

According to Thomas Hamall, Executive Vice-President of Atlanta's Chamber of Commerce, "there never was any honeymoon between Jackson and the business community except in comparison with the real split that existed with the previous Mayor. Others suggest that there was for a brief period. But administrative chaos existed in the Mayor's office, one banker said and prominent businessmen "quickly became fed up with not having their telephone calls returned or letters answered. At the same time the promised consultations over policy just did not take place."

The crisis of confidence, if you can call it that, came in mid-1974 when a group of business leaders, operating under the auspices of Central Atlanta Progress, a business lobby, sent a powerfully worded letter to the Mayor spelling out the serious problems facing the city (white flight, crime, poor schools, etc.) and accusing him of being "anti-white." The letter, which was leaked and published in the Atlanta Constitution, spelt out a doomsday scenario for the city's future.

Since then relations between the Mayor and business leaders have shown a definite improvement. Mayor Jackson is now asked to speak to visiting businessmen thinking of moving or investing in Atlanta. Certainly, whatever the history, there seems a much stronger degree of co-operation between Atlanta City Hall and the business leaders than in many other metropolitan areas.

"Everyone finally realised that conditions have changed." Don Bradley of Georgia State University says: "The Mayor to-day cannot afford any longer to bow to the demands and wishes of one group. He must walk a very narrow and politically difficult path between the demands of the black community, the needs of White business, while heeding all the time the growing political strength of the suburbs. It is not only the white business leaders who are disappointed, but he cannot deliver everything to everybody."

J. P.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

The Ferranti casing surveyor for accurately measuring the alignment and position of oil-well casings in the sea bed down to considerable depths. In the background is the "cake-rack" on which the precision inertial sensing equipment, power pack and recording unit of the self-contained Ferranti casing surveyor are being assembled.

● NORTH SEA OIL

Making sure drill holes go straight

SELF-CONTAINED, an accurate instrument for down-hole surveying of oil-wells is being operated by Ferranti Offshore Systems.

Acquisition of precise survey data for large diameter casing runs is of vital importance when multiple production wells are being drilled from a platform, *to avoid breaking through into* previously drilled holes.

The Ferranti casing surveyor is the name of the unit, built in collaboration with Shell Exploration and Production (Aberdeen) to a specific operational requirement of theirs. It is currently being used by Shell/Esso to survey the alignment of production wells from the Brent D platform in the North Sea. In this particular application, the Ferranti casing surveyor is being lowered to depths of 900 feet (275 m.).

Continuous recording of data, on a magnetic tape, of distance travelled and the direction and magnitude of corresponding lateral displacements as it is lowered down the hole is made.

When recovered, the data *from the tape is entered into a* field analysis unit which calculates and prints out the angular alignment and lateral displacements of the casing at given depths relative to the known starting datum. These displacements are accurate to within ± 5 cms. and alignment within 1 minute of arc.

Developed by the Inertial Systems Department of Ferranti it is an adaptation of an inertial sensing unit designed for the precise navigation of aircraft and for accurate land survey applications. More than 600 of these navigation units are in service throughout the world (including outer space) and their accuracy of operation and reliability has been proven.

Inertial sensing equipment includes a gyroscopically stabilised *platform which is maintained in* a fixed attitude in space regardless of changes in the orientation of the vehicle in which it is being carried. Three precision accelerometers are mounted on the stabilised platform with their axes aligned mutually at right angles to one another. These detect accelerations (movements) along any, or all, three axes and the output signals are integrated twice to derive displacements from the known starting datum. A tiny computer incorporated in the inertial sensing unit performs these calculations. It is these results which are recorded on magnetic tape for subsequent analysis.

In addition, the computer is programmed to control the complete operation of the instrument *while it is being lowered* and raised in the hole. Since batteries are included in the instrument pack, the entire system is self-contained and can operate for several hours, independently of external control signals and services while a survey is being performed.

Operation is simple. After the unit is switched on, the platform levels itself automatically and gyrocompasses one axis to face north. A signal light on the control panel indicates when the unit is aligned and the surveyor is then enclosed within its housing ready for lowering into the hole.

To ensure the highest accuracy, corrections need to be applied for residual errors that build up in the system due to gyro drift. This is done by bringing the surveyor to rest (velocity zero) about once a minute to assess the magnitudes of the necessary corrections to be made.

Providing a new method for assessing the alignment and position of oil wells, this unit is believed to be a unique British achievement.

Ferranti, Offshore Systems, Ferry Road, Edinburgh EH5 2XS.

● SOFTWARE

U.K. group has French connection

BRITAIN'S biggest independent software house, CAP, is back in the French market through an agreement with the very large services and software group, Sligos, to form a joint marketing group in France.

This means total European coverage for CAP-CPP—the market'ng wing of CAP with companies or agents throughout the EEC plus Spain and Portugal. Both parents will contribute program products they develop to the new company. This will have behind it the strength of Sligos which should turn over some £20m. this year from its nine bureaux and software operations and the expected £6m. from CAP, derived mainly from work on complex systems, tailored software and program products.

CAP is also working on the development of extensive aids for companies who want to use micro-computers, and when this work has reached a marketable level of development it appears a foregone conclusion that Sligos will be interested.

The latter will hold 51 per cent. of the equity in the new company (Sligos-CPP) and CAP the remainder, so that French company law should be no hindrance to the setting up of the venture on January 1.

Speaking at the announcement of the move in Paris this week, Alex d'Agapeyeff, head of CAP, drew attention to the fact that although machine costs were coming down sharply, users nevertheless were more interested than before in squeezing out every bit of performance.

This meant they were frequently unhappy with the operating routines makers provided and software houses were getting more and more business in this way. He was particularly interested in skeleton programs which allowed many more users to apply selected processing routines with minimal adjustments.

CAP intended to benefit from the move by many users away from big computers.

At the same time it was seeking to establish a large enough European base to provide the revenue to finance the writing of better software routines, rather than import them from the U.S.

Both Sligos and CAP seem to have written off Government support in either country as a source of new product financing since so much of it still is oriented exclusively to hardware.

Baby speaks in two languages

BOTH A Cobol compiler and basic interpreter are now available for Honeywell's minicomputer family.

Introduction of the languages represents an increased emphasis on marketing Level 6 in commercial environments. It is another step in a comprehensive software development programme for the group of machines.

Level 6 Cobol is upward compatible with Honeywell Series 60 Level 66 Cobol. This provides a facility for applications development for future distributed systems.

The Basic Interpreter operates in an interactive conversational environment in which a user can compose, edit, debug and execute programmes, as well as in a non-conversational production mode for programme execution. It provides data file processing facilities and the capability for immediate statement execution for interactive programming and debugging. In addition, Basic data files may be interchanged with Level 6 Fortran programmes. The one-time licence fee is £400 against £2,150 for the Cobol facility.

More from Honeywell on 01-568 9191.

● HEATING

Oven tests thermal stability

AN AUTOMATIC oven offering high accuracy, consistency and repeatability in the test measurement of thermal stability of plastics, paints, food ingredients and many other products, has been developed by a French company, Metrastat. Test analyses can be carried out by direct comparison of samples or by spectroscopy.

Any predetermined temperature in the range of 50 to 300 deg. C. can be selected. Samples are removed on a motor driven tray at any pre-set time interval from a few minutes up to eight hours.

Electronically regulated, the equipment is stated to be accurate in time measurement to ±0.5 seconds over two hours, and in temperature to ±0.5 deg. C up to 300 deg. C.

Even temperature distribution through the chrome oven is ensured by sparging with air. For testing in an inert atmosphere, the oven can be sparged with nitrogen or any other gas. This simplifies testing with materials which produce by-products which can catalyse the degradation of samples.

Two stainless steel PTFE coated sample trays are provided: one for sheets or blocks up to 10mm thick by 260mm long, and the other for liquids, powders or pastes.

The oven is marketed in the U.K. by KTL Plastics Equipment and Engineering Services, 62 School Lane, Toft, Cambridge, (022026 3303).

● ELECTRONICS

PA launches electronics company

INCREASINGLY aware that its public image is derived largely from the frequent appearance of personnel recruitment advertisements in the national Press, PA International, whose electronics consultancy business is expected to become a fifth of the company's total turnover, has started a new company called PA *Computers and Telecommunications*, or Pactel and the managing director is Mr. H. H. Hunt who has been with PA for 25 years.

The U.K. company is expected to remain the most significant but others will soon be formed in Sweden, West Germany and France; there will be representation in Benelux, Spain, Italy, Switzerland and in the U.S.

In their previous guise—the work was largely carried out as "management services"—the Pactel staff of 100 has been involved in some two dozen projects including studies for Philips, ITT, IBM, Swiss Banking Corporation, and a number of PTTs. Rutland House, Knightsbridge, London SW7 1BY (01-235 6060).

Interprets the signals

LOW-THRESHOLD integrated circuits that can be used with a variety of transducer interfaces to produce digital outputs that are a function of the parameters being measured have been developed by Hughes Microelectronics.

The transducer chip, DT 031, provides a basis for the production of low-cost systems with a typical accuracy of 1-2 per cent. for incorporation in many industrial and consumer products. Parameters that can be measured include liquid levels, temperatures, control set-points and DC inputs.

Transducer systems employing the DT 031 do not require either analogue amplifiers or A to D converters, and the chip can be interfaced directly with a computer or microprocessor, or used to drive a digital display.

It is expected that the new system will be particularly valuable in the automotive industry, as the transducer chip will operate in extreme temperature environments and could be mounted next to a car engine or exhaust without losing its performance characteristics.

In a car it could be used to measure vacuum via diaphragm displacement, throttle angle, temperature, oil pressure, mass air flow, exhaust content and so on. This information could, in turn, be fed to a micro-computer and used to make the necessary adjustments to the engine tuning and carburation so as to get peak engine performance and minimise atmospheric pollution.

Hughes Microelectronics is at Glenrothes, Scotland.

● MATERIALS

Resin data compiled

TO TAKE full advantage of the stiffening and strengthening potential of carbon fibres and boron fibres in reinforced plastics, new epoxide resins have been developed as matrix materials. While the relationship between resin, fibre and composite properties is not yet fully understood, the designer can be better equipped to achieve optimum composites if the properties of the resin are known. Strictly comparable properties for 12 of these resins have been established and are available in a new handbook published by Yarsley Testing Laboratories.

The 12 resins have been tested, under Ministry of Defence sponsorship, over a range of temperatures between −40 degrees C and +200 degrees C. Various moduli, strengths, elongations, impact values and Poisson's ratios have been determined over this temperature range, together with room temperature hardness (Barcol), refractive index and density. The results are given in numerical and graphical form for easy comparison between resins. The handbook, which is priced at £5, is issued in loose-leaf form so that data on additional resins may be added and revisions can be easily made. Data on vinyl ester resins and engineering thermoplastics will shortly be available and manufacturers may have their own resins included.

Yarsley Testing Laboratories, The Street, Ashtead, Surrey. (Tel: Ashtead 76391.)

● SAFETY

Bright ... shines a... warning...

SIEMENS has intro... ing beacon circui... use in situations... high-intensity flas... example, police ca... fire fighting vehicl... trucks, road works... buoys and airport...

Type WE 15/14 ... a complete assem... installation into... beacon, based on ... xenon flash tube ... traditional filament...

The use of a fla... for a much brighte... same power requi... incandescent sour... tively, its use allow... light output with r... consumption—an i... ture for remote ins... as marine buoys.

A compact ... board is mounted ... ally isolated brack... serves as a heat sl... tube is normally ... rately in the bea... nected by flexible l...

The module is ... operate from a n... DC supply with a ... rent drain of 2 am... rate is adjustable ... tween 40 and 120... minute at a nomina... of 300 lumen-second... consumption at 12... minute is 15-watt. ... circuit module, tha... tube, is 100 mm. lo... wide x 65 mm. high...

Siemens, Great ... Great West Road... Middlesex, TW8 ... 9133.

● TRANSPO...

Brushle... wash fo... vehicles

MANUFACTURE ... less washing machi... mercial vehicles ha... over from a Belgi... by Oldbourne Scie... opments, London Ro... Green, Knebworth, ... 6JR (0438 812812)... the Trubensed grou...

The machine, calle... gon, is custom-built... differences in vehi... shape, and load... cleaning problems... remains stationary, ... bearing frame is ... lowered around it. ... the under-chassis is ... worst, a rinse devi... when the vehicle is ... washing bay.

The masts for t... frame are free-stand... not in use the fra... raised sufficiently fo... be parked, or the ... other use. Sensor w... microswitch stops ... damage should the ... a vehicle as it is lo...

The spray is pre... 450 psi, and the... brushes to damage ... rors or other proje... equipment can be ... sizes of vehicle fron... to 48 feet long traile... the largest vehicl... cleaned on all six ... minutes, says the co...

The system inco... 800 litre water tan... 30 hp water pump... to installation size), ... pressure vessel for ... litre pressure ves... chemical solution, ... and injection system... lic circuit powered ... pump, and a 260 psi... driven by a 2 hp ... recharging the press... The chemicals used a... be non-toxic and non...

The first installati... completed and comm... Unigate Dairies, Lut... maker reports more... ordered.

هكذا من الاصل

The Marketing Scene

Showdown for CDP

BY ANTONY THORNCROFT

LAST night it looked as if SLADE was going ahead with its plan to "black" the print advertisements of agency Collett Dickenson Pearce. Pressure yesterday from the other print unions to remove the threat seems to have failed, and a meeting of SLADE's top officials today is expected to confirm that its members should henceforth black the agency. Around 35 per cent. of CDP's billings, in effect its Press advertisements, would be affected.

It may take some time for the blacking to be visible in the form of advertisements not appearing, but all of CDP's advertisers have rallied around it and have decided not to try and place their advertising through other agencies, even though these had agreed to handle the work on behalf of CDP. Also, in the short term, there are no plans to switch advertising to other, unaffected, media like posters, radio and TV.

Frank Lowe, managing director of the agency (which is a public company) was calling a meeting of the staff last night to explain the situation, and there were plans for another ballot just to check that CDP staff did not want to join SLADE. (The dispute is centred around the union's claim that agency personnel should join up. Last week the staff voted 171 to one against joining SLADE.)

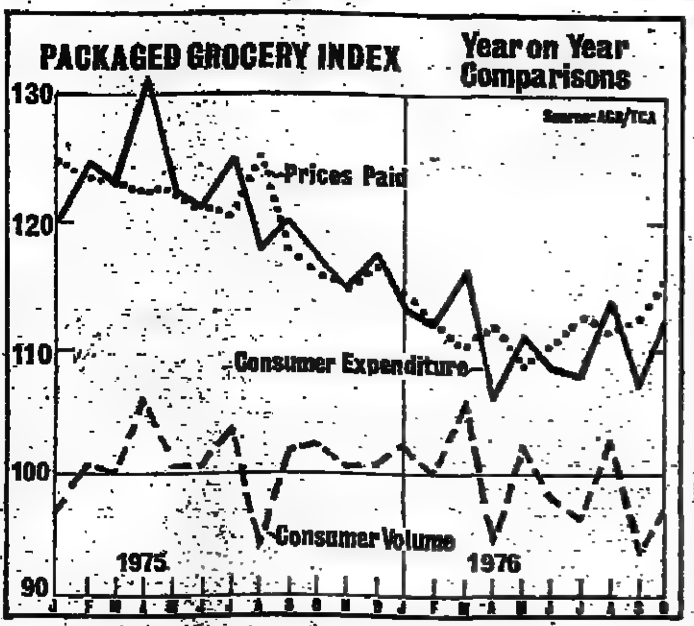
If the dispute continues the many small production houses, who depend on CDP work to survive, will soon face problems, and there are doubts about whether their SLADE employees will follow the union directive once their livelihood is threatened. At the moment CDP seems prepared for a long fight and has no intention of forcing its staff to join SLADE against its will, an attitude which is probably backed by the other unions with their eyes on the agency world's non-unionised work force.

● DESPITE its anti-advertising reputation Marks and Spencer is an increasingly heavy advertiser. On Tuesday it starts a national pre-Christmas television and radio campaign for its Gift Vouchers which were introduced in the London and Granada regions last Christmas.

The budget, of approaching £100,000, will be the largest placed by Marks and Spencer for a specific campaign for some years, although it spent much more when opening its new stores in France. The creative work was handled by John Simmons Creative Consultancy and Chris Ingram Associates is planning and buying the media.

● CARL Ally is changing its name on January 1 to PVA, the trading name of Pincus Vidler Arthur Fitzgerald, the four British directors who acquired the shares in the summer. The agency now has billings of £3m., and is moving to a new address in Kendrick Mews, Kensington.

● TWO new accounts for Saatchi and Saatchi are RCA Records, who are launching a big TV record promotion in the New Year, and Schwartz spices, market leader in this £10m. business which until now has not used advertising. A campaign will start in Granada and then go national with a budget of around £250,000.



The quickening pace of inflation is graphically shown in the latest Packaged Grocery Index from AGB. The products included represent a third of grocery turnover and provide a definitive trend. And the trend is gloomy for both manufacturers, retailers and consumers.

Volume purchases from the stores in October, as against October, 1975, show a marked drop, while prices have rushed ahead to 13 per cent. above a year ago. Prices, in fact, are higher than consumer expenditure, showing that housewives are now finding it hard to switch to cheaper brands, or more economical sizes. In the past packaged goods had fared better against inflation than consumer durables because of the availability of alternatives. Now the options are narrowing.

Of course there are variations between products. Beverages, frozen foods, and, most recently, pet foods, have had to raise their prices most sharply and not surprisingly beverages and pet foods show very big falls in volume. It looks as if the Government's decision to freeze wrapped bread prices has come just in time, at least from the consumer's point of view. In October wrapped bread was subject to a year on year nominal inflation of 15 per cent., double that of earlier in the year.

Cheerful year for chickens

BY OUR MARKETING EDITOR

ONE group which is very optimistic about its prospects in 1977 is the chicken producers. In the past their enthusiasm has run away with them, leading to chronic over-supply situations, but this year chicken sales will be around 324m. (as against 25m. twenty years ago), and the most cautious forecast for 1977 is 340m. If red meat prices continue to rise at the recent rate chickens could do much, much, better.

There will be no shortage of advertising support. The industry is putting £800,000 behind the bird, and with pound-for-pound promotions with individual retailers added the total advertising will be around £1m., roughly the same as for meat advertising. Apart from the generic campaign there is brand advertising, most significantly from Buxted, the lead line of Ross Poultry, the Imperial Group division which dominates in chickens.

Buxted is spending £1m. on advertising in 1977 as against £300,000 this year. The agency involved is the tiny McGougan Bowler which does not even run an internal creative department, but gives the account the kind of attention it reckons it has not received in bigger agencies. Even the advent of a new marketing director in March, Robin Pooley from the CWS, has not disturbed the link.

Pooley has disturbed lots of other things at Ross, apart from tripling the advertising spend. The biggest change has been in the internal organisation. He has switched product managers, wedded to marketing titles, back into salesmen, albeit with key accounts. For example the executive who was responsible for selling Ross turkeys across all outlets might now be selling the entire range of the company's products to a group of major retailers. This, along with a new product formulation for the Buxted chicken (a change in the feed means a change in the size and flavour of the product), has brought an immediate boost in sales. They are now running at 2m. a week.

The extra turnover is attributed to the fact that the important stockists are now carrying a wider range of Ross poultry. Even Marks and Spencer is taking a chicken which carries a Buxted brand name. At the same time joint promotions are carried out with important retailers. An experiment in Tyne Tees in which Buxted advertised its brand leader on radio and television linked to the Dewhurst chain has proved the popularity of an advertised known brand, even when selling at a premium compared with the retailer's own label. So sales through Dewhurst, which had been around £100,000 a year for Ross, are currently valued at £1.5m.

Pooley has a simple approach to advertising. He reckons it should tell consumers about the product, how much it costs, and where to get it. This points to more joint promotions. He also reckons that any remaining vestiges of chicken as a commodity market should be cleared away. A chicken should be sold like a can of beans, especially as it now can be adapted to suit changing and varied tastes, can be produced in greater or lesser numbers in a matter of weeks, and also faces the challenge of new uses. Pooley reckons that the main current consumption of a chicken, as a Sunday roast every three weeks, is reaching saturation point, and new meal situations must be developed. But the main advantage of the chicken, and other poultry, is that they will remain much cheaper than the competition, an advantage that seems certain to appreciate in 1977.

Multiple pile-up

AGB is extending its Prices Audit, the survey which shows the price and distribution of products in a wide sample of retail outlets. From March, Bishops, Hillards, Laws, Morrisons, the LCS, the RACS, and the North East Co-op, all important regional retailers, will be added to the sample, which will then cover 22 store chains accounting for 72 per cent. of packaged grocery turnover.

Since the speedy information on prices in store has been available to retailers and suppliers it has resulted in a tightening up on prices. Many multiple groups were shocked at the variations between their branches, and at the discrepancies between their prices and the competition. It was apparent that the companies that operated a uniform pricing policy, notably Sainsbury and Asda, were the most successful grocery chains and close competitors, such as Tesco, have since reduced the amount of store manager discretion over price.

There may be a fashion element involved here, and as the keeness of price competition intensifies next year some system which combines central controls and local flexibility could be the ideal. Already groups like Asda and Tesco are experimenting with telephone recording machines, which enable the central management to recommend price changes at very short notice and better control distribution.

The Prices Audit also quickly shows up the impact of promotions, and enables suppliers to argue about prices and discounts with retailers armed with information about what is actually happening in store. It underlines the growing power of the multiples in a more price conscious environment — this year, for example, the multiples have expanded their share of the packaged goods market from 55.6 per cent. to 58 per cent.

The Co-op is shown with about 20 per cent. of sales and doing well in certain areas, such as Lancashire, and badly in others, such as Scotland. Sainsbury is credited with 9 per cent. of packaged grocery sales; Tesco with 8 per cent.; then Asda with 4 per cent.; closely followed by Allied, International and Fine Fare. Kwiksave seems to be doing well as it extends into the Midlands, which is becoming the most price competitive grocery area in the U.K.

ASA COMPLAINTS

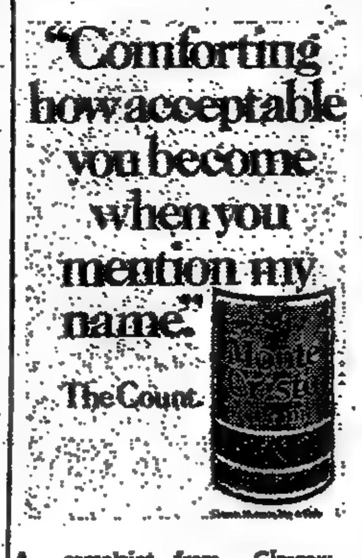
Big names rapped

BY PAMELA JUDGE

THE LATEST case report from the Advertising Standards Authority shows that 173 complaints were dealt with during September-October of which 85 referred to mail order failings. Of the 88 cases that related to copy claims 53 were upheld either wholly or in part. Holidays-cum-travel ads. brought the greatest number of complaints—ten—followed by competitions and promotions, and retail stores and outlets, at seven each, motoring, photographics and alcohol came next with six each.

Five of the cases—ten complainants—concerned Concorde, the verdict going against the ads. in three cases. Air France's reference to "absolute tranquility" and "the quiet" when aboard has now been deleted. Both the Air France and British Airways claims for less, or no, jet lag have had to be dropped since there is not sufficient research evidence in support. British Airways had to concede that it was not strictly factual to say that certain American cities were within an afternoon's journey of London.

On the other hand, it was reasonable for British Airways to say that Concorde may soon fly to Australia, and BA substantiated the claim that by Concorde it was possible for passengers to arrive in Gulf cities such as Dubai "sooner than if they had flown directly by subsonic jet."



A complaint—from Glasgow—against this Press advertisement was upheld by the ASA on the grounds that to say "it is comforting how acceptable you become" when you mention Monte Cristo gives the general impression that drinking is necessary for social acceptance, and as such offends against the tightened drink section of the Code of Advertising Practice.

Three of British Leyland's roadholding claims for the Princess were challenged. BL argued that it was presenting subjective and reasonable opinions but the ASA felt that people would expect them to be sustainable statements about the actual capacities of the car.

From Florida a man pointed out that while the Sealink (British Railways) advertisement referred to a "48 hour excursion" he had only had 25 hours and 20 minutes in Cherbourg—BR conceded.

Debenhams and its sister store Harvey Nichols agreed that they should not have used "manufacturers' recommended retail prices" in relation to Oriental carpets—MRRP is not an Eastern practice. DuPont Agrichemicals had to agree that an advertisement in the trade Press could mislead a non-technical reader.

From Brussels and London came two complaints about J. C. McLaughlin's claim that Lowenbrau was "the world's most exclusive and expensive beer"—the complaints were upheld. There are other beers that are more expensive both in the U.K. and Europe.

Fine print details in an offer on packs of Procter and Gamble's E3 size Bold detergent packs could have been better expressed, the company agreed. Some highly technical sounding circuitry in a Sony brochure was not incorporated in the radio receiver as a reader might have thought. This was a misprint and subsequent literature had been corrected.

These are some of the better-known names where complaints were upheld. Among those whose advertising was deemed to be correct were duty free shops at Heathrow and Gatwick: good buys at the airports were advertised as "Up to 50 per cent off High Street prices" and the copy was "merely making a comparison with U.K. retail shops" not those at destination. Imperial Tobacco proved its case that "more people smoke Embassy cigarettes than any other coupon brand," and in ads. for Bulmer's Pomagne "there was no attempt to equate the idea of happiness with that of drinking." Lever Brothers can carry on saying "Domestos kills all known germs."

A Methodist minister objected to a Jackpot Spotball ad. by Ladbroke (Football) which included Dick Emery dressed as a clergyman and the message "Is it wicked, my brethren? Not if you win a damn great jackpot. It isn't." The complaint was upheld. The ASA took the view that "many people would not know of Dick Emery or that he habitually dressed up as a clergyman" so that people might think it was a Church view of gambling. Some Dick Emery TV shows have been watched by over 13m. people, according to the BBC.

Brokers compete for fund

THE Thomas Coram Foundation, a charity involved in helping orphans and underprivileged children, has just appointed stockbrokers Hoare Govett to look after its investments, which are valued at something over £1.5m. This is a nice marketing story in that the Foundation saw competitive presentations from three brokers before awarding its business.

The Foundation had been advised by Lazards, the merchant bank, but thought it could do better with a broker now that the City was becoming more marketing minded, and experienced in handling the larger funds. Three companies were asked to compete and were allocated 90 minutes each for their presentations. One contestant did not offer any information about itself before the presentation; one presented a portfolio of another investment fund to show how it operated; but Hoare Govett had put Thomas Coram's investments through the computer and fielded the team that would handle the business if it won the account.

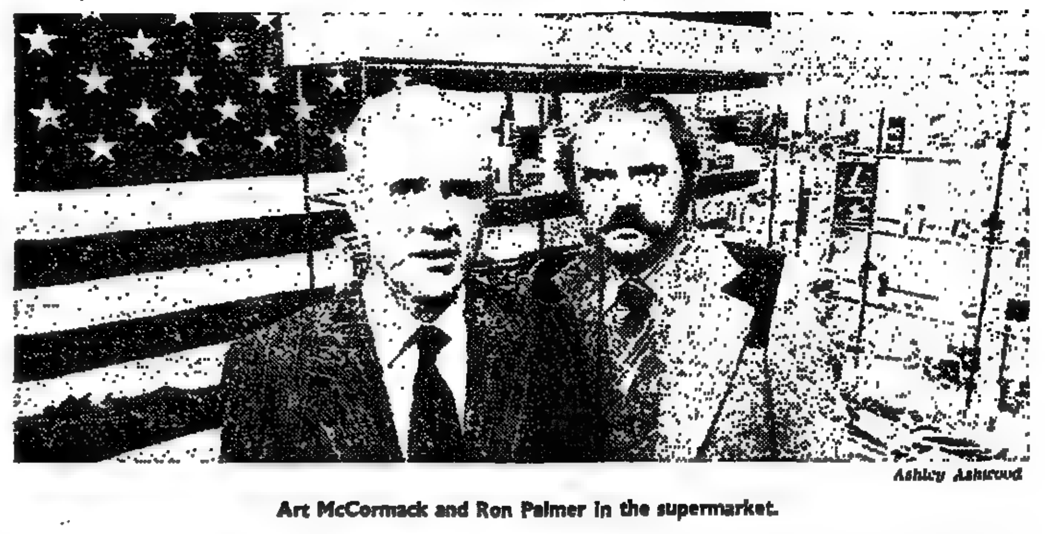
By going to a broker the Foundation hopes to save a service fee on top of the broker's charges, but does not envisage Hoare Govett moving the investments around too rapidly. For the brokers there is possible extra income of around £5,000: for the charity a planned 10 per cent. gain in income, or about £15,000 a year. For the City generally a peep into a much more competitive future.

U.S. BRANDS IN LONDON

Anyone for Hereford Cows

BY ANTONY THORNCROFT

IF YOU want a product that will instantly fade your new jeans; or you fancy getting drunk on Hereford Cows, a vanilla flavoured concoction which is 30 per cent. proof spirit; or are out of Smoke Shaker, which gives off the smell of an authentic charcoal barbeque even though the steaks are being grilled under gas; or fancy yoghurt mayonnaise, or some crumpled bacon pieces—and if you also can make a down payment of £1,000, then the American New Products Supermarket is the place for you.



Ashley Ashwood

Art McCormack and Ron Palmer in the supermarket.

The Supermarket has just opened in Covent Garden, where all the new advertising and marketing companies start these days. It is run by two Americans, Art McCormack and Ron Palmer, who have deserted the London agency scene to establish a clearing house for the latest American new product ideas.

British marketing companies have always looked to the U.S. for fresh brands, and there are organisations that will keep you informed of all the new products tested in the States. Nielsen goes one further and actually brings over samples for interested clients. But the Supermarket reckons it offers a cheaper, quicker, and more detailed service.

It imports 60 to 100 new products a month as well as innovative advertising campaigns, but its role is not purely passive. Although it concentrates on the markets where it has clients it also points them towards the fastest developing trends in American marketing, and also lays on, at a price, a full investigation of demanded markets.

At the moment the Supermarket is interested in bicarbonate of soda. Arm and Hammer was for generations the leading baking powder in the U.S., but now it is enjoying a new lease of life, and attracting competition from companies like Johnson and Johnson, by extending the uses of its soda. It is promoting it as an anti-acid, as an absorber of refrigerator smells, and as a lavatory cleaner. Other companies are promoting toothpaste with soda, in areas where fluoride is suspect; soda as an oven cleaner: and soda as part of an anti-perspirant.

Some of the innovative trends in American marketing may seem overdone in the U.K.—the anti-aerosol bandwagon, which is creating products like Safe Day, Safe Side, and Ban, all old-fashioned roll-on anti-perspirants. Other rapidly expanding markets, like the fruit wines, do not seem to have much future over here, but British companies can hardly ignore the impact of powdered soft drinks (where even Coca-Cola is testing a line), granola snacks, and perhaps Japanese noodles—all the rage in California.

The American New Products Supermarket approached a hundred companies when it began business in November and received a favourable response from 87. Eight are already clients, with another eight likely to join. As well as the £1,000 annual subscription, which entitles a company to as many visits as it wants to pick up ideas, there are extra services at extra cost. American products do not have a marcan products do not have a marvellous success rate in the U.K.—skillett foods is the latest costly failure—but failures there could succeed here, and opening the mind to new ideas can hardly be a disadvantage.

But Lever's turns a failure into a

Profitable Shield

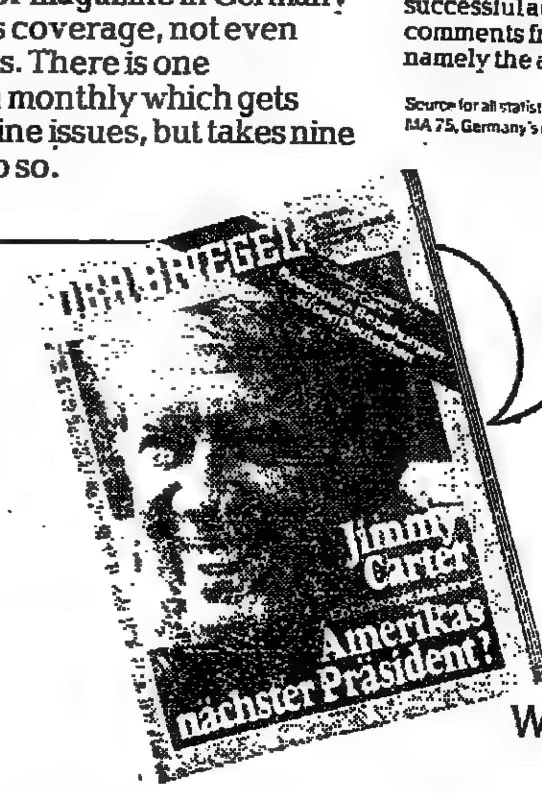
ONE product initially developed in the U.S. which had to come to the U.K. to be perfected and successfully launched was Shield which is proving Lever's most promising new brand in years. In April, its first month of national distribution, it captured an astonishing 17.5 per cent. of the £68m. soap market. In May it claimed 26.8 per cent.

This share, a record for the very competitive soap business, could be accounted for by the heavy initial advertising and the price off introductory offers, which cost Lever's at least £1.5m. But in October Shield was still holding 18.4 per cent. of sales, and the company, overcoming its surprise at the extent of its breakthrough, now intends to try to keep this market share. Already Shield is a profitable brand.

Lever Brother's concentrates on big brands. It has high fixed costs in its main markets and with profit margins under pressure any small gain in volume sales is vital. Its approach is to find a marketing opportunity and then attempt to meet it. With Shield it took over a deodorancy theme and added freshness.

The company's current policy on new products is to test more thoroughly with consumers before putting them on the market: once a brand does appear in a region it is almost certain to roll out nationally.

When a brand is launched it can expect a long career. Lever's other great success story, Persil, and its off-spring Persil Automatic, now hold 30 per cent. of the £140m. washing powder market, a handsome way to enter its 70th year as a brand name.



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THURSDAY, DECEMBER 2, 1976

The need for real cuts

IT SEEMS possible that a dangerous ambiguity has crept into the Cabinet's discussions of economic strategy. Ministers have been struggling to reach what they regard as a tolerable compromise between the demand of realistic adjustment and their reluctance to deflate the economy any further at this moment; it seems that fear of the Treasury's initial asking bid created such consternation that a number of Ministers usually regarded as "moderates" joined their colleagues in asking for less.

The present indications are that this debate has succeeded in shifting discussion from various larger figures towards a net spending cut of the order of the £1½bn. which we put forward as a minimum requirement on Monday. Genuine cuts of this order do seem to be regarded as just about acceptable both in the financial community and by our international creditors, especially if they are seen as the first step in the longer process of adjustment which the Chancellor has described.

Real problem

However, the markets are now deeply perturbed by persistent rumours that the cuts might be substantially smaller or might not be genuine at all. It is thought that the Government may be seeking ways, ranging from cuts in financial transfers to the usual round of increased charges and reduced investments programmes to avoid taking any steps to attack the real problem—the level of current spending in the public sector. Such evasions would produce a swift and crushing verdict in the financial markets, and that verdict would be fully justified.

There are three levels of misunderstanding. First, a cut of the order of £1½bn. in current spending would not in any sense be a massive deflation even if there were no offsetting factors. It is, on the other hand, a highly necessary first step towards a credible strategy for recovery. As we pointed out when the last expenditure White Paper appeared in February, the improvement in private consumption then envisaged was simply incompatible with the growth of output required, both in terms of incentive and in terms of the market expectations required to justify investment. To refuse to make genuine cuts is to opt for stagnation and decline.

Secondly, the argument about cuts is not the same as the argument about deflation—or even about employment. The fact is that the clearer the Government's determination to reverse the growth of the public sector and leave room for a genuine revival in private activity, the less critically its fiscal sums will be inspected. Fiscal policy can in any case be altered rapidly if it proves to be misjudged; the structural change which is required will inevitably be a slow one, and we are already suffering more inflation and higher unemployment than we need because the Government has used the cyclical situation as an excuse to postpone action.

Finally, the change in fiscal stance is not on this occasion a measure of the deflationary effect of any package. It is quite certain that any package of measures judged adequate will produce favourable effects in the financial markets, and notably a drop in interest rates, which will help to offset the fiscal deflation, just as inadequate measures will further extend the financial collapse seen this year. Some overkill can be corrected. Financial collapse cannot.

Mistaken policies

None of this means that the case for further, essentially financial reductions in the weight of market borrowing is invalid. On the contrary, we have repeatedly argued that official methods of financial management have compounded the damage done by mistaken policies, and improved methods can add to the benefits of a genuine change of course. New methods of borrowing, including possibly such once-for-all expedients as the sale of the public holding of BP shares acquired from Burmah, can help to finance any given borrowing requirement at lower interest rates, and leave more bank lending available for industry. But such steps are only an adjunct to the necessary fundamental change in policy.

Any attempt to evade the central issue will invite a quick and probably, so far as this Government is concerned, a conclusive disaster.

A new leader for Mexico

THE ACCESSION of Sr. José Lopez Portillo to the presidency of Mexico yesterday could bring about a badly needed surge of confidence in the country. Sr. Lopez Portillo takes over from President Luis Echeverria whose highly erratic career and increasingly unpredictable activities endeared him to few Mexicans.

Coming to the presidency six years ago with the reputation as a hardliner, not afraid to shed blood in order to curb student demonstrations on the eve of the 1968 Olympic Games, President Echeverria was never able to decide whether he was a liberal or a conservative. He cloaked his indecision with a great deal of oratory on international forums and a fair dose of rhetoric for his domestic audiences.

Accomplish more

His record over the past few months was a fair sample of the zig-zag course he had been pursuing for some years. Having silenced the moderate Left with a takeover of Excelsior, Mexico City's leading daily newspaper, which was often critical of his actions, he lashed out against the Right last month with a totally unexpected move to expropriate landlords in the north of the country and settle peasants on their estates. In the financial sphere he bowed to the inevitable by allowing a big devaluation of the peso, but was unable to prevent the outflow of large amounts of capital from Mexico. He has now announced his candidacy for the post of Secretary-General of the UN. It is unlikely to prosper.

Sr. Lopez Portillo, in the period since his selection as Presidential candidate by the PRI, the Institutional Revolutionary Party which has dominated Mexican politics for decades, has eschewed President Echeverria's rhetoric and given the impression of wanting to talk less and accomplish more.

If he achieves his aim of combining verbal sobriety with political efficiency, it will be a change of style which Mexico will welcome. The problems President López Portillo faces are immense. On the one hand there is a very severe problem of poverty in the cities and the countryside where millions of people are outside the money economy. One of the principal results of this state of affairs is that Mexican industry has a small domestic market and is less efficient than it would be if every Mexican had a sufficiency.

On the other hand there is a group of extreme conservatives in high positions in the private sector who regard any attempt to achieve a more balanced distribution of income as tantamount to treason and who have blocked the reform plans of successive presidents. In its external sector Mexico is extremely vulnerable given its large and chronic trade deficit. The new president can, however, count on new factors working in his favour. The election of Mr. Jimmy Carter, for instance, could make the U.S. more sympathetic to Mexico's economic and social problems than ever the Ford administration was.

Main task

At home the discovery of very big new oil deposits could enable Mexico to become a major oil exporter and could transform the balance of payments. The devaluation of the peso has moreover made Mexico a cheap place for holidays and if U.S. tourists are certain that there is stability in the country under the new president they should begin to flock over the northern border in large numbers. In the next few months President López Portillo's main task will be to convince his countrymen that he has realistic plans and the ability and determination to carry them out. If he succeeds in that, he should not lack support.

The figures politicians will not swallow

BY JOE ROGALY

THE perversity of Sir Claus Moser knows no bounds. He will insist on publishing hard, relentless, statistics that make nonsense of what politicians, civil servants, and too many of the rest of us have to say. It may be protested that that is after all his job as head of the Government Statistical Service—but need he do it quite so blatantly? It is reported, almost reliably, that the very fiercest stares by a number of past Prime Ministers have failed to deter him, even when it was quite clear that his little rows of numbers and his graphs and charts were a distinct embarrassment. To-day Sir Claus does it again.

With no apparent shame at all he has issued the seventh edtion of the annual *Social Trends*. You will see what I mean by letting it fall open on, say, page 118. It shows there that in 1966-67 a "full time male manual worker aged 21 or over," or working man, on median—about the middle—earnings would have paid 6.6 per cent. of his income in direct tax, net of family allowances. The average chap in this table has a wife and two small children aged under 11. As he would be quick to sell you, a man in the same position last year paid out nearly 20 per cent. of the contents of his wage packet. This rate of growth is much greater than the growth in taxation suffered by a man on twice the median income: from 19 per cent. in 1966-67 to 27.6 per cent. 10 years later.

The essence of this story has, of course, been known for some time. What is exposed to-day is the essential woolly-headedness of those who justify this increase in taxation by prating on about how much the ordinary people of this country benefit from the Government services that are provided.

The tables on pages 113 to 115 do most of the demolition work. The staff of *Social Trends* have added to income tax all indirect taxes that affect consumer prices and put the sum one one side of the scale. On the other side they put cash benefits, subsidies, and benefits in kind like education, the health service, and welfare foods. As one might hope, the result indicates that the elderly and the very poor with large families usually get more out of the system than they put in, and rightly so.

What is not so obvious to all our politicians is that just about everyone else—including the average working man—comes out worse off, and in a large proportion of cases considerably worse off. Those who speak, as Mrs. Barbara Castle once did, of the "social wage" or the "second wage" are presumably blind to the figures that come out in such volumes from Great George Street.

Such people, and the main beneficiaries of all this spending like the members of NUPE and NALGO, might mutter about the improved quality of services, or the value of the services not included in the social wage equation. I would direct their attention, first, to table 4.7 (reproduced on this page) which shows the growth in public-sector and particularly local authority employment since 1961 and the concomitant fall in private sector employment, and second to chart 5.2 which shows the pathetic course of the trend-line for real personal disposable income per head (leading to a fall in 1975).

If this were not enough to convince them, they could try the article on pages 47 to 60, which is all about answers to questions on what people feel about the quality of life. This should not be taken as serious evidence of anything—since soft social surveys of this kind have no proven value—but people whose minds are anyway in a fog might be impressed by:

City centres revitalised

"As well as rating the 'Quality of Life' in Britain now, respondents also gave ratings for 'Quality of Life' five years ago, 'Quality of Life' in five years' time, and what people thought they deserved.

"The general picture is of a country sliding rapidly down from 8.0 five years ago, through 7.2 now, to 6.0 in five years' time." For what it is worth, most respondents thought rather better of their own personal standard of living.

Those who prefer more rigorous evidence can find it in a dozen other places in *Social Trends*; the upshot is that although some of the money has helped some needy people, most people have no reason to think they have benefited from the runaway increases in public spending, and most people have in fact not benefited.

This applies to most areas of spending, including the higher proportion of money that the Government appears to be directing towards city centres. The myth is that if only the cash was poured in, the city centres would be revitalised, with a consequent resurgence of urban life and greater happiness for all. The fact is that this has already been proved wrong, a hundred times over. We pour billions of pounds into the cities now, and it has done no good. The evidence for the amounts spent is dispersed, but some of it can be found in the annual statistics produced by the Chartered Institute of Public Finance and Accountancy, which show, time and again, that spending per head of population is highest of all in Greater London, second highest in the metropolitan counties, and lowest in the non-metropolitan areas.

No one should be surprised by this: Labour has been in power for the greater part of the past 12 years and it is natural that they should direct the greatest flow of expenditure towards their own voters, crowded in city flats and council houses.

Now *Social Trends* comes along to remind us that in spite of all this expenditure people still continue to vote with their feet and move out of cities. The map shows the extent to which they have done so since 1951: even the 5.2 per cent. population growth in the West Midlands and the 2.6 per cent. growth in West Yorkshire during that period stands out as a decline relative to the 23.1 per cent. increase in the population of the rest of Great Britain. In all the other major conurbations the decline is unmistakable, from South East Lancashire's fall of 1.9 per cent. between 1951 and 1974 to the fall in the population of Greater London of 14.1 per cent. over the same period.

PUBLIC AND PRIVATE SECTOR EMPLOYMENT

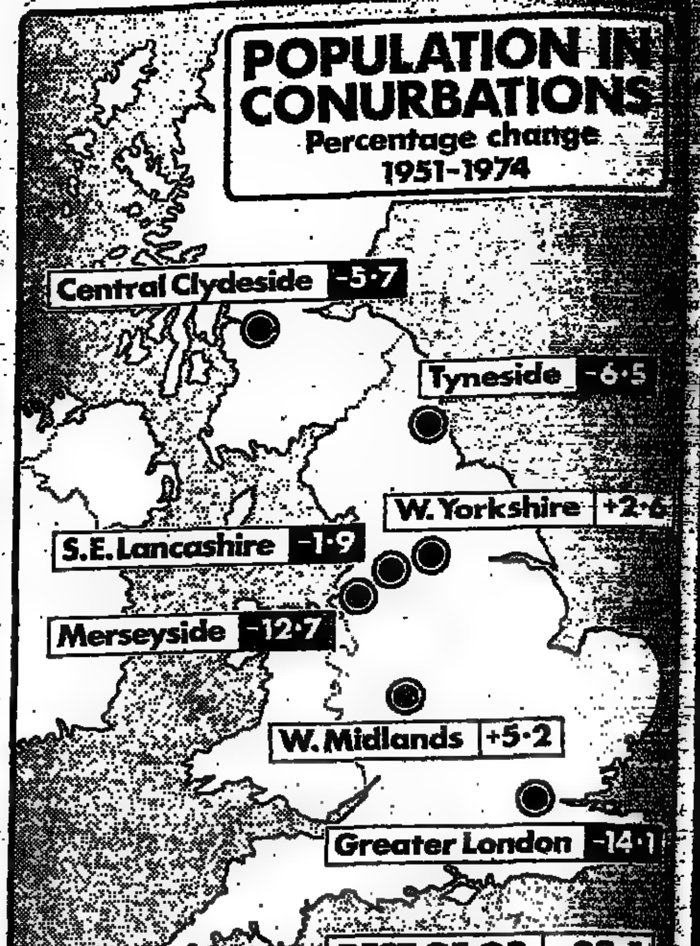
	1961.	1971	1974	1975
	%	%	%	%
Total public sector:	23.9	26.9	27.4	29.1
Government	7.3	7.9	8.2	9.0
Services	1.9	1.5	1.4	1.3
Civilian	5.3	6.4	7.0	7.6
Local authorities	7.6	10.9	11.3	12.1
Public corporations	9.0	8.1	7.7	8.0
Total private sector	76.1	73.1	72.6	70.9
Employees	68.9	65.3	64.9	63.1
Employers and self-employed	7.2	7.8	7.7	7.7

Source: Social Trends

It might be thought that I am suggesting that the march out of the cities is in some way the consequence of Government policies over the past generation. The truth is that it has been going on for most of the present century, especially in London. Table 9.11 is a reminder that the number of people in Inner London fell from 4.5m. in 1901 to 2.8m. in 1971; the concentration of expenditure in an effort to turn such a tide can only result in a further increase in the number of officials, with no effect on the wishes of the families that move to find a little open space and a garden if possible.

Another false notion that is shattered by Sir Claus's inconvenient statistics is the one that leads Governments to build yet more council houses. The purpose of such costly building is surely to meet the needs of those who cannot find decent accommodation, but is this the way to go about it? Is there really a national shortage of housing?

The steady drop in population projections, leading to the present position in which it is now officially believed that it is possible that we have a stationary or declining population can be checked on page 65. This could be set against the growth in housing stock, shown on page 151, and one might draw the conclusion that there is already a crude surplus of houses and flats and that this is certain to grow.



Cry of the big spenders

"Too simplistic," the big spenders cry, whenever this is said. One must take into account the regional distribution of the houses, the rate of "slum clearance," and the growth in the number of "family units." Now Social Trends help us to do some of this. Page 151 shows that in December, 1975 there were some 18m. dwellings in England and Wales. Page 74 shows that in mid-1976 the number of households was estimated as 17.4m. on one basis and, on another basis, 17.4m.

As for growth, it seems that the Department of the Environment, which is quoted as the source for Table 2.3, does not itself believe that there will be more than about 18.1m. households in 1981—and nearly all the additions are in "one-person" households. Some of these will be pensioners, and some will be young individuals in city centres. Has the Department asked itself whether the artificial shortage created by the Rent Acts and the security of tenure laws might not be eased so as to release unused single rooms for such people? A substantial proportion of the so-called "housing shortage" might in that way be tackled without building a single extra dwelling.

A non-ideological housing policy, aimed at putting a roof over the head of everyone at a price that can be afforded, would recognise that what the figures tell us is that the actual and potential shortages can be described in fairly precise terms. If regional, it should be possible to say where. If according to type of person it should be possible (and largely is, according to the charts in *Social Trends*) to say who. This would produce a local, grass-roots series of public housing schemes that by definition would be far less ambitious and needlessly expensive than the present national can't-see-the-trees-for-the-wood approach. And, as other tables suggest, any slack would be taken up by private housebuilding since that is where the heaviest demand is to be found.

Similar reports

In the introduction to to-day's edition, the current editor of Social Trends, Eric J. Thompson, points out that since it first appeared in 1970, similar reports have appeared in much of Western Europe, Canada and the U.S., Japan and even Malaysia and the Philippines.

It is plainly a success, widely copied. Yet the foreigners have made changes. "Our version," writes Mr. Thompson, "differs from some of the other social reports—such as, for example, that produced in the Social and Cultural Planning Office in the Netherlands—in that it does not try to specify which are the most important problems facing our society, let alone try to recommend policies to solve them."

In this way Mr. Thompson and his chief, Sir Claus Moser, have avoided the trap of trying to tell Governments what to do. Yet their figures, whose choice must be an editorial decision, speak for themselves. Perhaps this is enough: I am not sure that the wide-ranging introductory "Commentary," with its record of the extraordinary events of the past decade is of as much value as the collection of tables; freedom of expression, even for statisticians, is highly desirable, but it is better when it justifies itself with something better than a sketch of the "permissive society" and its aftermath, with associated developments. Could it be that the writer was not free enough? Sir Claus should settle this, either way, before next year; meanwhile I shall rest content with the sheer enjoyment of his devilish figures.

Social Trends No. 7. HMSO £2.95.

MEN AND MATTERS

From Simon to Javits . . .

There have been two distinct posses of leading American figures around London the last few days: political ones doing the rounds on the IMF negotiations and business ones attending a London conference. Neither group seems keen to echo the dire views of their fellow economist Milton Friedman on the coming collapse of democracy here, and most of the businessmen claimed to be ignoring the immediate gloom and looking towards a bright investment future.

So all seem friendly, and few are likely to be more committed to the British cause than the latest in the queue, Jacob Javits. The 72-year-old senator from New York is a liberal Republican who is a senior representative of his party on the key Senate foreign relations committee. There he espouses strong pro-Israeli and pro-European alliance views.

His appearance at an American Embassy Press conference was brief as he had yet another engagement before the flight home. He avoided Milton Friedman's name but said cheerfully he disagreed fundamentally with the views of some "distinguished American economists." We should be thankful for that, but Javits the Anglophile did also talk sombrely about a financial collapse here threatening the rest of the world and said the U.S. was looking for a cash flow chart and "blueprint of viability" for the next five years. Not that elected representatives have a direct say in the decisions of IMF member Governments when loans are granted: but their votes matter when the expansion of formal credit facilities is in question.

The most important of the recent visitors has probably been Lawrence Klein, a distinguished academic now a man who matters thanks to his closeness on economic matters to the President-elect. Klein's was a fleeting visit, on a modest scale compared to that of Treasury Secretary William Simon, whose political importance will presumably soon be over though presumably not before IMF terms are settled. As usual with U.S. administration figures, Simon was not exactly lonely, bringing a party of 49 including secret service guards.

Also in London this week has been Henry Reuss, chairman of the House of Representatives banking committee, addressing the European institutional investor conference which was the draw for the business contingent. Next week should see the arrival of that master of bustle, Henry Kissinger, expected to call in on London en route for a Nato meeting as part of a personal international swansong.

. . . to White House waste

Here is a story of American progress. Dean Buntrock's wife's grandfather drove a horse and cart through the streets of Chicago in the 1870s collecting refuse; these days Buntrock heads a company which empties the White House trash cans. Only the other day, a hopeful newspaper reporter asked the group, Waste Management Inc., to say what was in the bins; naturally, there was a polite refusal.

Waste Management now has an annual turnover of around $160m. handling the waste disposal problems of factories and some American municipalities. Unlike Europe, several U.S. cities have garbage handled by private contractors, and Waste Management is delighted at just winning the contract to service New Orleans.

Waste Management operates 54 landfill sites around America to receive the mountains of rubbish: a couple of the sites near Chicago each receive as much waste as quite a few small countries. Recessions in industry naturally reduce the quantity of raw material for the likes of Buntrock's company. But in the most throwaway society in the world there have been some impressive calculations done on the private-versus-municipal costs of waste services: on average it was reckoned 35 per cent. cheaper overall to have an outside contractor do the job. According to Buntrock, one of those Americans on the London jaunt, WM is one of the few types of company which stood only to benefit from tougher and tougher environmental rules.

Not surprisingly, the rather owlish Buntrock blinks uneasily when asked about prospects in Europe. The political hazards of talking about switching his sort of work away from municipal control are obvious. He is much more impressed with Saudi Arabia, where WM will provide a range of cleaning and collection services in Riyadh — a public works department is being built up from scratch. WM's systems will not be operative until the end of next year, so city life till then will presumably be less than ideal.

In a Britain of declining standards, Buntrock was kind about London, "still keeping clean" since his last visit. But had I seen Geneva? Buntrock and a colleague exchanged head-shaking amazement at the recently-witnessed, near-manic tidiness of the meticulous Swiss.

Poor help

Frank Field is the director of the Child Poverty Action Group and the man who creaed a furore in the summer by publishing leaked Cabinet documents on the child benefit scheme. So Field and his organisation are feeling understandably pleased at the sources of support for an effort to raise money to promote advisory work for poor families.

Among those who have promised £140,000 so far are The Goldsmith's Company, the Lord Sainsbury Trust, the Gulbenkian Foundation, and Marks and Spencer. All quite in line with the mainstream of the establishment, but there is one unusual name on the list: Oxfam.

Field explained that Oxfam's role was often misunderstood in that the charity had always wanted to tackle poverty projects at home. According to his group, the need is increasing alarmingly: the Action group claimed yesterday that the number of those around or below the poverty line was up to 13m. last year, with 2m. actually identified as below.

Nay

Horse dealing jokes. Shouldn't the ideal dealer be one who has lively horses for lively people, quiet horses for quiet people, and, for people who don't like horses . . . horses who don't like people?

Observer

صكنا من الاجل

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

An open letter to Professor Friedman

"Open Letters" are a form of journalism I usually avoid. But it happens to be the most convenient way I can express certain misgivings about some of your recent warning about the United Kingdom. My main worry, is that the many and important truths you have taught over so distinguished a career will come under a cloud because of the other things you are saying which represent personal hunches, individual value judgments or exaggerations.

You may not be interested in winning the approval of the mealy mouthed and lose no sleep if ignorant commentators label you "reactionary, extreme right wing," or whatever. But more than presentation is at stake. It would surprise me if you thought that all your views formed a bundle to be accepted or rejected as a whole. Consider for instance the following sentiments.

"In his admirable book on *The Scope and Method of Political Economy* John Neville Keynes distinguishes among 'a *positive science* . . . a body of systemised knowledge concerning what is; a *normative* or *regulative science* . . . a body of systemised knowledge discussing criteria of what ought to be . . . ; an *art* . . . a system of of rules for the attainment of a given end;' comments that 'confusion between them is common and has been the source of many mischievous errors;' and urges the importance of 'recognising a distinct positive science of political economy.'

"Confusion between positive and normative economics is to some extent inevitable. The subject matter of economics is regarded by almost everyone as vitally important to himself and within the range of his own experience and competence; it is the source of continuous and extensive controversy and the occasion for frequent legislation. Self-proclaimed "experts" speak with many voices and can hardly all be regarded as disinterested; in any event, on questions that matter so much, 'expert' opinion could hardly be accepted solely on faith even if the 'experts' were nearly unanimous and clearly disinterested."

You will *almost* certainly agree with the above couple of paragraphs. Indeed, you wrote them. They formed part of the first chapter of *Essays in Positive Economics*, which you presented to me during our first tutorial (in Cambridge, England) at the risk of giving an undergraduate the impression that there was such a thing as a free book.

One of the first things, of which you deprived me in those days, was the balance of payments problem. This was rather important to me. My instincts were strongly anti-Conservative in most non-economic matters, but it was impossible to reconcile Labour economic statements with the elementary supply-and-demand economics of any textbook. (For instance, Harold Wilson on "speculation" or rent control.) This is still my political dilemma; but in those days I hoped to resolve it by pointing to the culpable Conservative neglect of the balance of payments.

You explained that the problem arose only because the Government tried to peg the price of sterling; and the only argument against free trade and free exchange rates was the terms-of-trade gain that the U.K. could gain from exploiting its small monopoly power. You patiently pointed out that all the worries of Very Important People about where sterling would sink without support boiled down to that one argument; and there was no other.

Opinion formers in this country—in respectable City circles as much as on the Left—have still to appreciate the bogus nature of the payments problem. Like many other British economic commentators I misused the floating rate *argument* to support the case for expansionist demand policies. I should have taken more note of your warning expressed all those years ago about the end results of pursuing "advanced" fiscal and monetary policies. But it was not until the 1976 Presidential Address to the American Economic Association that I saw clearly why post war full employment policies were misconceived and likely to lead to ever increasing inflation.

Your demonstration of the fallacies of fine tuning (better called discretionary demand management) presented fewer problems for me. It reinforced my suspicion that there was too much respect for authority in this country rather than too little. But your greatest impact on financial opinion here has probably been (a) in demonstrating that the money supply is a better guide to the thrust of policy than interest rates, especially in an inflationary era, and (b) in showing that the money supply rather than the balance of the Budget is crucial in determining output and employment in the shorter term and inflation in the longer run.

Why then do you have to quote with approval in your BBC interview reproduced in *The Listener* of November 18, Mr. Callaghan's words (your paraphrase) "that what the experience of the past 20 years has shown is that further Government spending leads to further inflation, which simply leads to further unemployment?" If Mr. Callaghan believes and understands his own speech, why is he orchestrating a Cabinet revolt against the Treasury on spending cuts?

> **Economics . . . is the source of continuous and extensive controversy . . . Self-proclaimed 'experts' speak with many voices and can hardly all be regarded as disinterested; in any event, on questions that matter so much, 'expert' opinion could hardly be accepted on faith even if the 'experts' were nearly unanimous and clearly disinterested.**

But the *Encyclopaedia Britannica* article on money is likely to be more authoritative even than Mr. Callaghan. It states: "Government spending may or may not be inflationary. It will clearly be inflationary if it is financed by creating money—that is, by printing currency or creating bank deposits—and if the resultant rate of monetary growth exceeds the rate of growth of output. If it is financed by taxes or by borrowing from the public, the main effect is that the government spends the funds instead of someone else. Government fiscal poilcy is extremely important in determining the fraction of total income that is spent by the Government and who bears the burden of that expenditure. But it is not necessarily inflationary."

(Article signed "M.Fr.")

And why have you been supporting suggestions that inflation is bound to lead to unemployment? Your analysis of the "Phillips curve" implies that there is no necessary long-run relation between inflation and unemployment either way. There is a transitional unemployment cost in reducing the rate of inflation; and certain misguided Government reactions such as wage and price controls and subsidies make unemployment worse. But as I understand it, there is nothing in Friedmanism to prevent the economy adjusting to any particular non-accelerating rate of inflation (other than the inconvenience of too low a real money supply). Indexation, as you have suggested, might lower the unemployment cost of getting the inflation rate down, but would also facilitate adjustment to prevent high inflation rates.

But the root of the matter is not monetary. Those journalists who attribute to you the view that "only money matters" have got things almost exactly the wrong way round. Your most important popular contribution has been to describe how the market place and the price mechanism can be instruments for extending human freedom and welfare. In your article in the November issue of *Encounter*, you explain with your customary clarity the built-in inferiority of the political market place, which even with a "fair" voting system (which we do not have here) forces the opinions of 51 per cent. on 49 per cent. In contrast, the commercial market allows people to make separate choices without coercing others.

In common with many economists on both sides of the Atlantic I have tried to explain that the objective of the welfare state can best be achieved by operating with, rather than against market forces. There is no need for separate policies for housing, tiddlywink imports, or low paid workers. The victims of social change, and the less fortunate, can best be helped, as you have so often said, by a negative income tax, which the beneficiaries would spend in the market in their own way.

There is probably a real difference between us, summed up by your objection to "doing good with other people's money." The initial distribution of property, and the rights and duties which go with it, is the outcome of man-made laws and enforced through the coercive apparatus of the state. But there is a logical as well as a philosophical point.

Let us take a community of 100 people, who are unanimously agreed to redistribute some of their income to another group. It is in the interests of each of 100 that the other 99 should contribute, and that he should be a "free rider." Among a small group of individuals the problem can be solved by a voluntary binding agreement. But in a larger society the transaction and enforcement costs are too high, and the state apparatus has to serve as a second best than they do themselves. Most of the successful European countries, which have overtaken the U.K. in economic performance have chosen to spend a large part of the increment to their wealth for "welfare" purposes, while retaining a largely private enterprise base. You and I may wonder whether services such as education and health have to be predominantly in the state sector. John Stuart Mill originally suggested state finance for, rather than the provision of, a school system. But the fact that no major country has taken that route is surely a matter for investigation and not just condemnation.

Your strongest argument in the "end of democracy" is that if the tax and other burdens imposed on productive citizens exceed certain levels, runaway inflation and/or dictatorship and other evils certainly ensue. But no historian or economist knows what this level is; and there is no reason to think that it is the same in every society or every period. You are of course right to point out that we bring the breaking point needlessly close by vindictive marginal tax rates which almost certainly lose rather than gain revenue, and which Labour Ministers will refuse to defend in private except in terms of a worthless "social contract." But you do make the going more difficult for British Friedmanites, when you denounce the whole welfare state—as distinct from its methods—or when you suggest that the developments of the last 70 years in Britain and Chile alike have been predominantly in the wrong direction.

There is a genuine problem facing someone in your position. Your eminence as an economist does not deprive you of your right to express your views as a citizen on wider topics—still less on those grey areas which are halfway between academic analysis and personal opinion. But there is a danger that your strong expression of what is partly speculative or personal may discredit the more securely established parts of your analysis. To this you could reply (a) that a suitably qualified statement along the lines of your own essay would receive no popular attention; and (b) that the findings of "positive economics" cannot (logically cannot) be destroyed by any amount of political and journalistic villification.

This still leaves some of us, however, with the job of pointing out the difference between Friedmanite economics and the personal opinions of Professor Milton Friedman.

With best wishes,

Sam

Letters to the Editor

England's oil

From Mr. J. Salter.

Sir,—Before the debate on Scottish devolution (independence?) gets out of hand, could someone resolve the important issue raised in your correspondence columns by Mr. Frank Hansford-Miller (October 24, 1976) regarding the location of the demarcation line between the English and the Scottish oil zones in the event of a break-up of the U.K.?

If he was correct in his contention that internationally-accepted procedure would result in the demarcation line lying along the seaward projection of the land frontier between the two countries on a bearing of 035 degrees, thus placing firmly in the English zone such rich oil fields as the Forties, Montrose, Argyll, yuk etc., should not this fact be given wide publicity?

Demand for Scottish independence only became clamourous when it seemed that spoils were up for grabs. The realisation that the share available to an independent Scotland would in fact be relatively meagre would have a significant effect on Scottish opinion as the debate on devolution and/or independence proceeds.

J. P. Salter.
*80, Foreland Road,
Bembridge, Isle of Wight.*

Council housing costs

From Mr. M. Campbell Jones

Sir,—Mr. Musgrave (Letters, November 26) suggests that debt interest on council housing accounts is more than covered by the inflation of the value of the underlying assets, that is the houses themselves. This might be true if the houses were to be sold at the free market price in due course, or if rents increased in direct proportion to the assumed increases in value. If Mr. Musgrave believes that either is politically possible—although I assume he thinks it desirable—then he will believe anything. Meanwhile, the money has been borrowed—real money—and the lenders are only going to accept real money in payment of the interest charge; or do we allow them part-ownership of the housing estates in lieu?

M. M. Campbell Jones.
*"Skokholm," 4, Castle Avenue,
Penarth, South Glamorgan.*

Company cars

From Mr. N. Panes.

Sir,—I was interested to read the letter from Mr. J. M. Tennent (November 30) which suggested that company directors have underestimated the cost of providing company cars as a perk for middle managers. This may be true, but if so it only proves that some company directors are unaware of the effects of inflation.

The fundamental issue is surely that in these times of wage restraint and crippling personal taxation it has become increasingly difficult to keep middle managers and to compensate them adequately for the services they perform.

If, as Mr. Tennent gloomily maintains, it costs £1,435 (excluding petrol) to run a two-litre car for a year, consider for a moment the value of that perk in the hands of the employee. If he has a reasonable amount of business use his assessable benefit under the new tax rules will be a fixed £350. Assuming that his income (like so many middle managers) is hovering on the borders of higher rate income tax, he might pay tax at 40 per cent. on this benefit. The net value of a company car to him is thus £1,435 less the tax of £140, or £1,295.

To the company the gross cost of employing the manager is the main consideration. If it wished to provide him with an after tax increase of £1,295 it would have to increase his gross salary by approximately £2,400 to allow for the higher rates of tax, and it would also have to suffer increased employment costs and company pension contributions on that sum.

Clearly then it is much better to provide a company car as part of an emoluments package than to attempt to satisfy the manager by salary alone. Any employee who has "done his sums" will recognise that the value to him of a company car is far in excess of any increase in salary which most employers would give him.

This fundamental difference between the "cost to the company" and the "value to the employee" is the reason why progressive companies are increasingly offering company cars as a perk. If a company wishes to recruit and adequately compensate high calibre managers the company car is an invaluable carrot, and will doubtless remain so as long as a body of companies hold a less enlightened view. Yes, it is expensive, but who was it who said that "all overheads walk in on two legs?" More overheads seem to be driving these days so perhaps Mr. Tennent would prefer to dispense with managers altogether.

N. G. Panes.
*28, Fomet Avenue,
Purley, Surrey.*

Demand must be raised

From Mr. H. Dalby

Sir,—The CBI recomends cutting public expenditure and increasing incentives by cutting taxes. This, it says, would increase business confidence. Business confidence arises when the businessman finds himself selling his goods quickly and easily, and if demand begins to outstrip supply he invests in more machinery.

To cut public expenditure is to put people out of work and thus reduce their demand for goods by reducing their income. To cut taxes is to put more money into the hands of the class of people who are already putting their money into gilt edged and are likely to save even more should their income be increased by tax cuts. Thus total demand is reduced, and far from encouraging businessmen to produce more, will cause them to retrench even further.

If the CBI wishes to increase businessmen's confidence it must increase demand by increasing the incomes of those now having a struggle to pay their mortgages etc. and have no surpluses to save.

H. Dalby.
*17, Newstead Road,
Middlesbrough, Cleveland.*

Controls on imports

From Mr. N. Billitch.

Sir,—Mr. R. Parker's assumptions (November 27) are no more than . . . assumptions! That is, they are tailored to suit his conclusions. Suppose we begin with his conclusions and work backwards. If we had "more efficient utilisation of resources" and "lower unit costs" more U.K. manufactured shirts might be sold. The cry for import controls is based on the demand that inefficient utilisation and higher unit costs must be allowed to prevail. In other words, U.K. shirt manufacturers wish to charge higher prices for their wares; they can only do so if alternative supplies are kept out of reach of U.K. consumers.

Has Mr. Parker any evidence that a tariff, quota or other restriction has ever brought about a reduction in prices to the consumer? Having robbed Peter, Paul is hardly likely to give up his gratuitious windfall! That, Mr. Parker, is what protection is all about.

N. A. Billitch.
*6, Rusholme Road,
Putney, S.W.15.*

A change of job

From Mr. F. Lucas.

Sir,—Mr. Brittan (November 25) leaves me with the impression that he sees the English entrepreneur as someone sulking in his £80,000 yacht because he cannot get an income tax rebate.

Recently, I was in a corridor of a local Town Hall, when I noticed in a large public room a solitary figure which I recognised as my barber. Intrigued, I asked him why he came to change to his job. His answer is tabulated as follows.

	Barber	*Official*
Pay	£40 p.w.	£65 p.w.
Hours	12 per day fixed	7½ per day variable
Sat. wk.	Every Sat.	5 day week
Lunch	Eat at work	One hr. nom. 1½ actual
H'day	P.H.	P.H. and four weeks
Sick	Work as usual	6 months full pay
Pension	Nil	Inflation proof
Work intensity	Heavy	I was talking to him for 20 minutes and no other person came into the room
Nature of work	Skill at cutting hair	Working an intricate electric calculating and printing machine with one finger.

The problem facing the country is how to get that man voluntarily to return to hair cutting.

Of course, Mr. Brittan, a Keynesian who believes that one increases wealth by consuming it, will point to the increase in the GNP. A statistical nonsense that has dominated Economics for the past 40 years.

The answer is simple, the implementation difficult. Abolish all control on the export of capital. The whole Keynesian structure will collapse. Trade unions cannot dominate industry if capital is mobile.

F. Lucas.
*25, The Highway,
Orpington, Kent.*

Too easy at the top

From Mr. R. Ireton

Sir,—If those in a position to reduce inflation such as Ministers, Members of Parliament and Treasury civil servants receive inflation-proof pensions, their will-to-reduce inflation must be affected to some degree.

A goodly proportion of these gentlemen being at the top would be near retirement age and I feel that without inflation-proofing they would make more effort to reduce inflation and so protect the pension that they will receive in a few years' time.

R. Ireton.
*66, Marshall Road,
Rainham,
Gillingham, Kent.*

Factory pricing

From Mr. R. Cutler.

Sir,—I feel Mr. Garrigan's letter on factory pricing (November 27) is open to argument, particularly as he describes himself as a "layman", like myself, in which respect both of us are likely to be torpedoed by the experts.

It seems to me that the "factory price" for one item cannot possibly be the same as for a thousand delivered in bulk to one customer, so that a factor with warehouse facilities taking such a number or some major part thereof, would take his profit when disposing of parcels of such stock to a retailer, also taking his profit on the final transaction. A customer can then choose to buy from a discount or cash and carry house, with only the maker's guarantee of service, sometimes difficult to identify, or from a retailer at a higher price who, from his knowledge of the article, is able to give personal after sales service. It would thus seem logical for the manufacturer to have a recommended retail price based on an average of the total number of items sold, after which the customer can decide for himself with whom he will deal.

It seems incredible that less than 40 years ago having placed an agent's order for a mass production car, one's chauffer could collect it from the factory and drive it carefully home. The one I have in mind had a free wheel and synchromesh gears, effectively allowing a clutchless gear change without power losses, and I wish I had such a car to-day. If my memory serves me right it cost less than £250!

Robert Cutler.
*19, Woodlands Road,
Surbiton, Surrey.*

Political cycle

From Mr. A. Clements.

Sir,—Your headline, "State intervention no answer to economic problems" for Professor Ball's speech (November 26) at the Institute of Bankers Ernest Sykes Memorial Lecture bore a striking similarity to the views of Lord Macaulay (b.1800-d.1859) that one wonders once again if times a'changing equate with progress.

The principal of the London Graduate School of Business Studies said that the main thrust of Government actions and policies should be in the direction of creating an economic and social framework within which the creative abilities of our citizens can be released. Is that far removed from Thomas Babington Macaulay who said, "Our rulers will best promote the improvement of the nation by strictly confining themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment, by maintaining peace, by defending property and by observing strict economy in every department of state. Let the Government do this—the people will assuredly do the rest"?

Perhaps one of your Chartist readers could confirm that there is a longer cycle than the market one of five years . . an historical and political one of say, 150 years?

A. J. Clements.
Branch manager,
Trustee Savings Bank,
*46, High Street, Cosham,
Portsmouth, Hampshire.*

To-day's Events

GENERAL

Cabinet continues discussion of terms for loan by International Monetary Fund.

Treasury issues figures of U.K. official reserves for November.

Polling day in Cambridge by-election (result expected between midnight and 1 a.m.).

Mr. Anthony Crosland, Foreign Secretary, is guest of honour at Hispanic and Luso Brazilian Council dinner for Latin American Ambassadors to U.K., Hyde Park Hotel, S.W.1.

Lord Watkinson, CBI president, speaks at CBI Wales annual dinner.

President of EEC Commission ends two-day visit to Yugoslavia.

Engine tuners at Leyland's Cowley plant decide whether to continue their strike.

CBI Committee on State Intervention in Private Industry meets.

Museum of London opens, London Wall, E.C.2.

Sir Robin Gillett, Lord Mayor of London, attends Makers of Playing Cards Company dinner, Mansion House.

Banking and Finance Study Group, O.R. Society. Mr. David Gardiner, group planner, speaks on "The Management of Finance in Associated Biscuits," Inter-Bank Research Organisation, Moor House, London Wall, E.C.2, 4.30 p.m.

"Conservationist of the Year" awards, World Trade Centre, E.1.

Korean Products Show opens, Grosvenor House, W.1 (ending December 3).

Commonwealth Sicence Council meeting continues, Colombo.

Council of Copper Exporting Countries meeting continues, Santiago.

PARLIAMENTARY BUSINESS

House of Commons: Social Security (Miscellaneous Provisions) Bill, second reading.

House of Lords: Consideration of Farm Amalgamation and Farm Structure Schemes. Debates on European Export Bank; on measuring liquids other than water; and on firearms fees.

OFFICIAL STATISTICS

Capital issues and redemptions during November.

COMPANY RESULTS

Bass Charrington (full year). British Petroleum (3rd qtr.). Coalite and Chemical Products (half-year). Lonrho (full year). Mitchell Cotts Group (full year). National and Commercial Banking Group (full year). Racal Electronics (half-year). Whessoe (full year).

COMPANY MEETINGS

Amalgamated Tin Mines of Nigeria, 55-61, Moorgate, E.C., 12. Boulton (William), Stoke-on-Trent, 12. Burndene Investments, Edinburgh, 3.

COMPANY NEWS + COMMENT

Avon Rubber recovers to record £2.45m.

ON TURNOVER some £16m. higher at £57.8m., Avon Rubber Co. has recovered from a loss of £0.5m. to record profits of £2.45m. for the 53 weeks to October 2, 1976 and the dividend is stepped up from 1p to 5p net per £1 share with a 4p final. Earnings are shown at 13.8p per share against a loss of 6.1p. At midway profits were £0.6m. compared with a £0.76m. deficit.

The Board states that each manufacturing company contributed to the improvement in group profit. Every effort continues to be made to ensure that they all earn a return on the money invested sufficient for the group to pay increasing dividends and still retain adequate funds for future development.

Their efforts to increase sales overseas have shown a substantial benefit to the group, the value of overseas turnover reaching £18.25m., an increase of 44 per cent. over last year.

Despite the economic uncertainties, all the present indications are that the group will continue to show a satisfactory rate of growth in turnover, profitability and dividends, members are told.

● comment

Following on from the improvement shown in the previous two six-monthly periods, Avon Rubber has come up with a profit of £1.85m. in the second half against £260,000 previously. This makes for an annual turnround of nearly £3m. and the shares jumped 7p to 74p on the bettter than expected result. Exports (21 per cent. of turnover) are up, but one of the key elements in the turnround is the industrial polymers division, where the group moved out of a £350,000 loss last year into a significant profit. Tyres also did very well, thanks mainly to exports (a quarter of sales) and moved out of the losses of last year which amounted to £470,000. However, the major profit-earner of 1974-75 has been reversed this year. Tyre and battery distribution shaved margins because of increased competition and profits are lower than the £400,000 of last year. Shareholders can look forward to further profits growth this year, but Avon remains highly-geared, with net debts perhaps £1m. lower at £11½m. against shareholders' funds of about £13½m.

HIGHLIGHTS

First-half profits at Fairey are up by more than £¾m. and the company expects the figure for the full year to be higher. Lex also takes a look at the Phillips and Drew research into the Morpeth proposals as well as the decision of the German regional courts to allow GKN to take a 75 per cent. stake in Sachs. Currency gains have played a useful role in the 44 per cent. jump in interim profits at B. Elliott but there will be a slowdown in activity in the current six months. Alpine Soft Drinks continues its strong growth trend with a 66 per cent. jump in first-half profits helped by the exceptional summer, while the recovery at Avon has gained momentum, leaving the overall turnround at close on £3m. UKO International is up with its forecast made in its bid defence while Morgan-Grampian has seen a sharp turnround in the U.S. operations.

Richards upsurge to £0.93m.

THE UNQUANTIFIED increased profit forecast by textile manufacturers Richards turns out to be £931,214 for the year to September 30, 1976, compared with £545,667, after £351,000 against £198,000, for the first half. Turnover for the year expanded from £7.7m. to £9.68m.

Earnings per 10p share advanced from 2.29p to 3.9p, and the dividend is raised from 0.843p to 0.927p net with a final of 0.727p.

Properties were revalued on September 20, producing a surplus of £1.44m., but a provision of £370,000 has been made to meet potential liabilities on chargeable gains. Asset per share were 34.54p (22.4p).

	1975-76	1974-75
	£	£
Turnover	9,683,983	7,692,963
Pre-tax profit	931,214	545,667
Taxation	460,320	267,431
Extraordinary debits	25,000	61,000
Net profit	445,894	217,236

All divisions played their full part and, without exception, beat the targets set for them. Due to low gearing and strong cash flow, the future can be faced with more confidence than most, says Mr. A. R. Robertson, the chairman.

Results are being seen of many year's hard work and substantial investment, designed to transform the company. There is still a lot to be done, and the current economic climate will make it difficult to improve on the past year's figures in the short term. But a new level of performance has been reached and when world trading conditions improve, "we shall be poised to take full advantage of them," he declares.

Alpine Soft Drinks up 66% midway

IN THE HALF year to September 25, 1976, pre-tax profits of Alpine Soft Drinks jumped by 66 per cent. from £512,169 to £852,584 and the directors predict a satisfactory increase in the full year's profit for the seventh successive year. Profits for the year to March 27, 1976, reached £0.81m.

The interim dividend is effectively raised from 1p to 1.1p net per 10p share. Last year's final was equal to 2.03075p.

TABLE

	First half 1976	1975
	£	£
Turnover	4,501,738	3,481,575
Trading profit	852,584	512,169
Taxation	443,000	266,000
Net profit	389,554	246,169
Interim dividend	31,423	46,757
Retained	358,131	199,412

Sales by volume expanded by 18.5 per cent. Over two-thirds of this increase was achieved by expanding the area supplied by the company and its subsidiaries.

● comment

Alpine Soft Drinks is an extraordinarily profitable company, a fact that is demonstrated by a 99 per cent. pre-tax return on shareholders' funds last year and a market capitalisation more than three times the net worth in the last balance sheet. Now profits have again been increased, this time by 66 per cent. The hot summer, of course, helped sales but only by about 5½ per cent. Unlike most soft drink companies, Alpine is not dependent on good weather because the door-to-door sales method ensures fairly constant demand; in fact winter sales are only about a quarter below summer. Most of the volume increase has come from geographical expansion which is currently continuing into London; the costs involved will depress second-half earnings slightly but full-year earnings could pass £700,000, so that the prospective yield of 8.3 per cent on the shares at 63p may be covered nearly 4½ times.

University Life integrating new business

By Eric Short

University Life Assurance Society, a wholly owned subsidiary of Equitable Life Assurance Society (a mutual life company), is to cease taking on new business from the end of the year. This news was given by Lt. Col. James Innes, chairman of the Society, in a letter sent on Tuesday to all policyholders. This points out that a substantial portion of the Society's income was derived from the Federated Superannuation Scheme for Universities, which is scheduled to be phased out by 1980 because the universities are adopting a self-administered pension scheme.

In the absence of this business the Society felt that it was its own interests and that of its parent to close the fund to new policyholders and integrate new business with Equitable Life.

The letter reassures policyholders that the financial strength of the Society will provide total protection of their interests and the existing branch organisation will still be available to give a complete life assurance service. Policyholders requiring additional life assurance cover would be given quotations from the comprehensive range of policies offered by Equitable Life, an acknowledged market leader.

University Life was founded just over 150 years ago and has only dealt with university graduates. Its parent, Equitable Life, is the oldest mutual life assurance company in the world and one of the very few life companies in the U.K. which does not pay commission for new business.

Scottish Cities higher income

Present indications are that a further increase in dividend income of Scottish Cities Investment Trust may be expected for the current year, states the Earl of Dartmouth, chairman.

In the year ended September 30 1976 gross revenue rose from £370,363 to £441,937 and the pre-tax figure emerged up from £321,555 to £386,376. As reported the dividend is raised from 5.75p to 6.75p.

The valuation of investments at mid market values at September 30 was £5.09m. compared with a book value of £4.1m.—the appreciation of £0.99m. compares with £0.91m. Net asset value per 25p share was 149p (146p).

In his statement as chairman of Long and Hambly (the 73.6 per cent. owned subsidiary) Lord Dartmouth points out that over £0.3m. has been committed to investment in plant during 1975-76 and he is confident that the company will benefit from this expenditure.

After the first three months of the current year present indications are that profits for the year will be somewhat better than those of 1975-76 when a pre-tax balance of £329,734 was reported (£263,302).

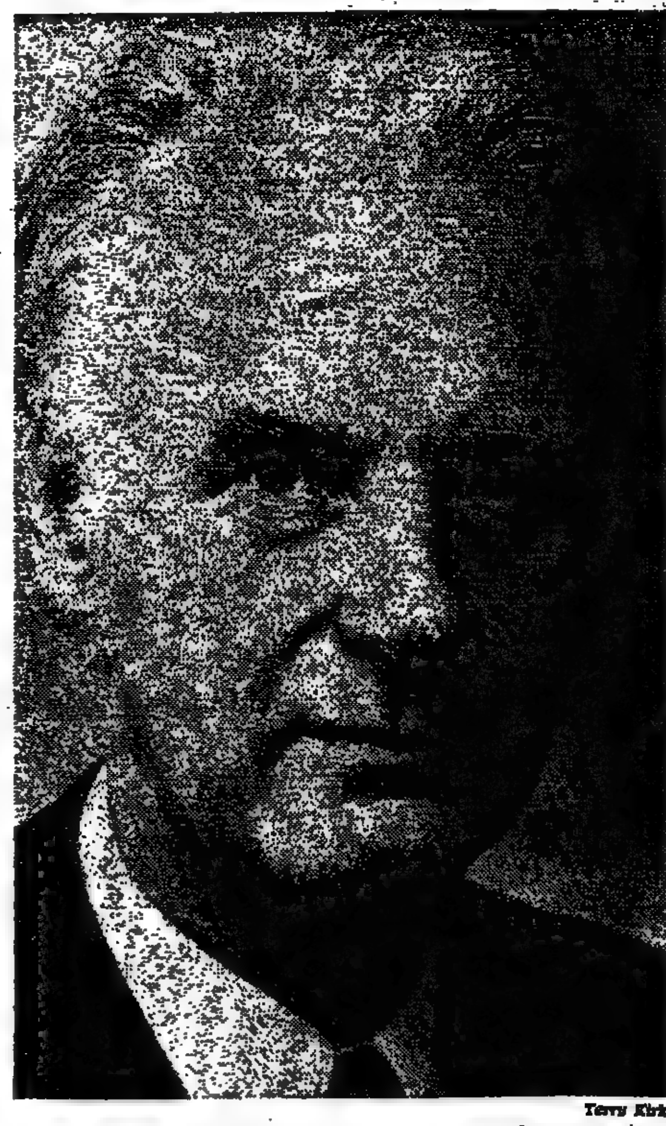
Meetings, Winchester House, E.C., December 22, starting at 11 a.m.

Triefus makes headway

First-half turnover for 1975 expanded from £4.06m. to £4.83m. at Triefus and Co. and taxable profit was up from £83,729 to £147,306. Profit for the last full year was £291,590.

After tax for the half year of £74,800, compared with £26,639 the net balance comes through up from £57,090 to £73,706.

The company's interests lie in the processing, marketing and valuation of diamonds.



Terry Kirk

Mr. Robert W. Holder, chairman of the Fairey Company, who reports a substantial rise in first-half profits.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Alpine Soft Drinks ...int.	1.1	Jan. 21	*1	—	*3.03
Avon Rubber	4	Jan. 24	1	5	1
Brit. Indian Tea Co. ...int.	2.5	—	3.5	—	5
Bromsgrove Casting...int.	0.8	Feb. 24	0.7	—	1.8
Buffelsfontein Gold ...int.	40(f)	Feb. 4	75	—	125
Clydesdale (Transv'l) int.	4.5(f)	Feb. 18	4	—	8
Concrete Ireland	3.25	Feb. 18	*2.85	*4.06	*4.0
B. Elliott ...int.	2.0(b)	Feb. 4	1.79	—	4.3(a)
Estates Hse. Inv. 2nd inv.	4.0(e)	Dec. 31	—	—	5.5
Fairey Co. ...int.	1.2†	Feb. 3	1.1	—	3.41
Glenmurray Trust	0.85	Feb. 4	0.75	1.45	1.35
int.	0.7	June 25	0.6	—	1.45
Griqualand Exploration...	115(f)	Feb. 18	60	160	90
W. Henshall ...int.	nil	—	0.18	—	0.44
Robt. Jenkins ...int.	10.0(d)	—	2.3	—	6.8
Jokai Tea	7.86	Dec. 31	7.15	7.86	7.15
Medminster ...int.	0.4	Dec. 24	nil	—	nil
Morgan-Grampian ...int.	1.15	Jan. 4	1.05	—	2.38
New Court European	1.4	Jan. 20	1.9	1.4	1.9
Parkland Textile ...int.	1.22	—	nil	—	0.85
Richards	0.73	—	0.67	0.93	0.84
Somic ...int.	0.87	Feb. 7	0.79	—	2.11
Stilfontein Gold	11(c)	Feb. 4	20	22	36
UKO Internatl. ...int.	2.67	Feb. 11	1.4	—(c)	4.2
West Rand. Consd.	5(f)	Feb. 4	5	10	10
Thos. Warrington ...int.	1.16	Jan. 17	1.16	—	3.13

Dividends shown pence per share net except where otherwise stated.

*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. (a) Final on increased capital. (b) To reduce disparity. (c) Total of 8p already forecast. (d) Gross. (e) To minimise ACT. Making 7p to date. (f) Cents per share.

Flightspares progress

Profit of Flightspares increased from £39,865 to £140,376 in the year to April 30, 1976, subject to tax of £82,000 (£31,600). Sales were up from £983,643 to £1,707,506, including exports of £913,023 (£582,557).

A dividend of 1.1p (1p) gross per share has already been paid.

The directors are reasonably confident about the current year, says Mr. E. E. Lane, the chairman. But in view of narrowing trading margins and increased overheads, it is unlikely that the current year will repeat last year's results.

Meeting Southend on Sea, December 23, at 3.30 p.m.

Morgan-Grampian six months rise

IN THE half year ended September 30, 1976, pre-tax profit of Morgan-Grampian, magazine publishers and property developers, was £931,000 against a forecast £800,000. Last year's figure was £312,000. The directors state that current uncertainties may make it difficult to achieve the budgeted £2.6m. for the year, although the group will undoubtedly have a good second half.

The interim dividend is lifted by the maximum permitted from 1.04867p to 1.15353225p net per 25p share. Last year's total was 2.37542p from profits of £995,000.

	Half-year 1976	1975	Year 1975-76
	£000	£000	£000
Total turnover	11,710	9,734	20,084
U.K.	6,334	5,472	11,097
U.S.	5,376	4,262	8,987
Trading profit	1,317	638	1,880
U.K.	890	361	1,023
U.S.	427	144	417
Interest rec.	91	134	240
Exceptional debits†	286	127	685
Profit before tax	931	312	995
Taxation	351	273	688
Net profit	580	39	307
Pref. div.	5	5	
Int. Ord.	118	108	

† Comprises new magazine development costs (£000s omitted), U.K. £110 (£64 and £111), and U.S. £176 (£263 and £574).

Mr. G. Sherren, the new chairman, says the first half has been better than anticipated due to the magazines in the U.S. starting the year well. Because of past losses, these profits are free of tax, resulting in a sub-normal tax charge against the group profit. The group made a profit of £251,000 in the U.S., against a loss of £119,000 for the last half year and £157,000 for the year.

New magazines development costs in the U.S. decreased as these titles gained further recognition of the investment made in them. In the U.K., development costs increased as a result of the launch of Hi-Fi Weekly in September, Mr. Sherren says.

● comment

Morgan-Grampian, a leader in CCA accounting, reported its threefold rise in pre-tax profits (historic cost at the interim stage) on the same day ED 18 was published. Last year, M-G had an addendum showing profits roughly halved on Sandilands principles and shareholders' funds of £12.1m. fell £3m. in purchasing power terms. This year the impact of inflation accounting should be less (not to say anything about the absence of deferred taxation on Morpeth principles). To reach its £2.6m historic profits forecast, M-G needs only an extra £0.3m. on top of last year's second-half contribution of £1.3m., when the advertising recovery got under way. To date, profits are on target, but the real testing time is still to come, with the weaker half in the U.S. and slower advertising sales in the U.K. ahead of the mini-budget and new calendar year. M-G should just make its target this year, while prospects for 1977-78 are enhanced by a solid trend in the U.S., where Butterhein Publications is now fully integrated, the two new magazines are nearing the end of their loss-making periods, and rate increases of 11 per cent. are well supported by volume rises of about a tenth. The one weak spot is book publishing, where turnover is down. At 95p the prospective p/e of 6½ on a low tax charge is well below the sector average. But the 5½-times covered yield is only 4.3 per cent.

UKO ahead by 27% in the first half

MANUFACTURERS of ophthalmic glass lenses and suppliers of spectacle frames, UKO International announces a 27 per cent. rise in group pre-tax profit to £1,802,000 for the half year to September 30, 1976, on sales up 20 per cent. to £16.19m.

Satisfactory progress continues to be made despite unfavourable economic circumstances, says Mr. G. C. D'Arcy Biss, the chairman.

The directors consider the half yearly results to be consistent with the profit forecast of £4.1m. for the year, an increase of more than 24 per cent., the Treasury has consented to payment of total dividends of 8p net per 25p share, and the interim is stepped up from 1.4p to 2.67p.

	Half year 1976	1975	Year 1975-76
	£000	£000	£000
Ophthalmic sales	12,419	11,000	22,684
W. M. Still	3,771	2,534	3,968
Total sales	16,190	13,534	26,652
Ophthalmic profit	1,403	1,161	2,781
W. M. Still	399	258	516
Total profit	1,802	1,419	3,297
Taxation	901	738	1,533
Minorities	4	4	7
Attributable	897	677	1,757
Dividend	357	189	543

Demand in the ophthalmic group was sluggish in most markets, but there was an improvement towards the end of the half year, which has been maintained in the third quarter.

The main increases in profits came once again from the home market mass manufacturing companies, which are continuing to to receive the benefits of recent substantial investments in new production plant. The overseas companies fared less well, mainly as a result of the continu[ing] economic recession in seve[ral] major markets.

Sales and profits of the [...] group, which supplies a w[ide] range of kitchen equipment [to] the hotel and catering trades, [de]creased sharply.

● comment

The half-time figures at U[KO] International suggest that [the] company is on target for its [bid] defence forecast of £4.1m. [pre-]tax at the year-end. Of co[urse] the company could hardly a[fford] to be off-target at this stage. [But] to be fair, £1.8m. at this [stage] leaves £2.3m. to be made u[p in] the second half, which woul[d be] a 21 per cent. increase over [last] year's second half, a level in [line] with the profit growth pa[ttern] shown in the second halve[s of] the past two years (19 and 3[?] per cent. respectively). The for[ecast] is underpinned by a spurt i[n the] major division, optical lenses [and] spectacle frames, at the en[d of] the second quarter and into [the] third, and by the 55 per [cent] uplift in kitchen equip[ment] profits, which has not so far t[ailed] off. Yesterday's share price, [al]though higher than the pr[evious] level of 118p, falls short of [the] 187p Pilkington was offering [at] the time of the bid, sugges[ting] little belief that Pilkington [will] renew its offer even if [the] Monopolies Commission finds [in] its favour in January. Still, [the] promised dividend up by 90 [per] cent. yields a prospective 8.7 [per] cent., twice covered, on a p/[e of] 7.9.

هكذا من الأصل

B. Elliott expands to £1.96m. at midway

DESPITE POOR trading conditions, external turnover of B. Elliott and Co. increased from £22.1m. to £25.6m., and pre-tax profit expanded from £1.36m. to £1.96m. in the half-year to September 30, 1976. The figures for the year to March 31, 1976 were £46.26m. and £3.17m. respectively.

Earnings per 25p share for the half year increased to 7.44p, compared with 5.04p, adjusted for the April rights issue, and the interim dividend is stepped up from 1.7875p to 2p net to reduce disparity. Last year's final on increased capital, was 2.3125p.

	Six months 1976 £000	1975 £000	Year 1975-76 £000
Gross turnover	27,570	24,309	50,155
External turnover	25,601	22,104	46,263
Trading surplus	2,569	1,962	4,431
Depreciation	407	348	720
Interest payable	230	259	545
Profit before tax	1,958	1,357	3,166
Taxation	944	662	1,451
Minorities	173	182	371
Net balance	841	513	1,344
Dividend	338	285	716

Mr. F. M. Russell, the chairman, points out that the six months' profit includes £200,000 arising from currency changes.

During the period orders received were £27.3m. and in real terms the second half-year started with much the same work-load as at April 1, 1976. But Mr. Russell stresses that to quote the overall figure is somewhat misleading, as once again the pattern is by no means consistent and in certain subsidiaries there has been a substantial deterioration in the level of orders outstanding.

In the U.K. there was a small but consistent increase in orders during the summer but recently the poor economic news halted this improvement. The anticipated number of machine tool orders following the exhibition in *Birmingham have not yet been* received and the general engineering companies report that demand has returned to the rate experienced at the beginning of 1976.

Recently there has been a marked reduction in the sales of the South African Group and this will be reflected in its contribution in the second half, but in the rest of the group the directors anticipate maintaining current levels of activity.

Overall, the group is in a very strong position and will achieve substantially increased earnings when capital investment picks up again, says the chairman.

U.K. bank borrowings were eliminated following the rights issue but higher overdrafts have been incurred to finance stocks in South Africa, Canada and Australia. The capital programme to modernise and increase the capacity of the Butler works at Halifax continues and details of a further major investment in the Russell Foundry at Leicester over the next few years, will be announced shortly.

● comment

Elliott is 44 per cent. ahead pre-tax. But a third of the upturn arises from currency gains, and the company makes no bones about a slow-down in activity in the current six months. There are problems in South Africa (almost a third of profits last year) and the weakness of sterling has pushed up the cost of machine tool imports in some areas of the merchanting operation—which is one reason for a rise of more than a fifth in stock levels since the end of 1975-76. The general engineering interests in the U.K. are lagging after six months. Still, yesterday's interim figures were probably comfortably ahead of most outside forecasts, and the shares rose 5p to 55p as a result. The prospective, fully taxed p/e is probably not much higher than 4¼ and the 1976-77 yield of 13¾ per cent. is going to be solidly covered.

Sir J. Causton recovery measures

Measures are being taken by the directors of lithographic and letterpress printers and stationers, Sir Joseph Causton and Sons, to improve the trading position, but it may not be possible to avoid a further small loss this year, says Mr. J. W. Llewelly-Jones, the chairman.

As reported on November 27, group pre-tax loss for the year to September 30, 1976, was £365,017 (£586,633).

It is proposed to increase the borrowing powers *from £3.36m. to* £5.04m. on the basis of the 1975-76 accounts. While borrowing powers are forecast to remain adequate throughout the current year, it is considered that the increase is prudent at this time.

Halftime rise at Carding

ON TURNOVER up from £3.47m. to £3.72m., pre-tax profit of Carding Group for the half year to September 30, 1976, improved from £141,000 to £242,000.

Stated earnings are up from 0.3p to 0.5p per 5p share. The directors have deferred consideration of a dividend until the year's results are known. A payment of 0.192p net per share was made from profits of £372,000 last year.

	Half year 1976 £000	1975 £000	Year 1975-76 £000
Turnover	3,718	3,467	7,451
Motor division	3,417	2,854	6,107
Property division	139	457	980
Property invest.	162	156	364
Trading profit	382	340	730
Motor division	237	240	495
Property division	125	132	30
Property invest.	170	140	315
Interest	118	177	374
Loan stock int.	22	22	44
Profit before tax	242	141	372
Taxation	126	71	122
Net profit	116	70	250

† Loss.

The directors state that the motor division has again traded well. Property Division sales are becoming increasingly difficult to complete due mainly to the lack of finance available to prospective purchasers. Market indications show that, for offers received for certain properties, further provisions of £55,000 are necessary and have been incorporated into the figures.

The supply situation coupled with further increases in car prices will undoubtedly have an effect on the motor division. However, the trading base has been widened *with the opening of the Austin/* Morris dealership at Wolverhampton branch in October.

Property investment income will improve marginally, they add, whereas there is little prospect of any improvement in the property dealing division in current conditions. The directors are continuing to utilise earnings towards the reduction in borrowings with a corresponding decrease in interest charges, despite the increase in interest rates.

Fairey £0.83m. ahead so far

GENERAL, nuclear, and hydraulic *engineers, etc.*, The Fairey Company reports turnover up from £25.72m. to £31.55m. for the half year to September 30, 1976, and an increase in pre-tax profits from £1.35m. to £2.17m.

The group is expected to make more profit in the second half than in the first and subject to exceptional circumstances the Board still anticipates higher profits for the full year than last year's £4.92m.

After tax of £1.18m. compared with £0.6m. first half earnings are shown at 3.9p (4.3p) per 25p share. The interim dividend is lifted from 1.1p to 1.2p net—last year's final was 2.3125p.

The directors say the group is performing well although the timing of the receipt of major orders from abroad has become less predictable partly because of *uncertainty over sterling.*

This led to the unplanned build up of stock in some divisions and an unbalanced work load in the survey division. Production elsewhere has not been affected and it is expected that further substantial orders still in negotiation will be booked by the end of the *financial year.*

Fairey S.A. remains fully loaded and has started on the long build-up to the contract for the F.16 fighter aircraft of which it has an important share. Demand for Britten-Norman aircraft has recovered and output remains strong.

Fairey Hydraulics continues its planned growth and Fairey Engineering is performing well in its medium girder bridge and nuclear activities. Development of further derivatives of the bridge is increasing its applications in overseas markets.

	Half year 1976 £000	1975 £000
Turnover	31,552	25,724
Pre-tax profit	2,163	1,351
Tax	1,181	600
To minorities	6	15
Extraord. credit	12	19

†Loss.

Fairey Marine has come successfully through a period of delayed ordering and Fairey Surveys has three substantial overseas orders.

The industrial products division continues to make progress and Fairey Winches and Fairey Filtration are also prospering.

See Lex

SWS PASSES PREFERENCE

Slater Walker Securities is not paying the half yearly dividend on the 6¼ per cent. Preference shares due on November 30, 1976. Preference payments are in arrears since December 1, 1975.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Buckley's Brewery, Coalite and Chemical Products, Hargreaves, W. E. Norton, Racal Electronics, Sekers International, Westbrick Products.

Finals—Bass Charrington, Davenports Brewery, Dundee and London Investment Trust, Judge International, Lonrho, Mitchell Cotts, A. and J. Mucklow, National and Commercial Banking, United Wire, Whessoe, Yarrow.

FUTURE DATES

Interims—

Bambergers	Dec. 7
British Steam Specialities	Dec. 20
British Tar Products	Dec. 9
Lees (John J.)	Dec. 7
London and Liverpool Trust	Dec. 8
May and Hassell	Dec. 7
Phoenix Timber	Dec. 14
Polly Peck	Dec. 3
Warnford Investments	Dec. 8

Prospects at Stocklake Holdings

The chairman of **Stocklake Holdings**, Mr. A. M. McKay, says that present indications are that the group's efforts to maintain profitability are proving successful and he expects this year's results to be good.

In the year ended March 31, 1976, the group doubled its pre-tax profit from £0.55m. to £1.08m. (reported November 23). Results of the Rhodesian subsidiary were excluded.

Current signs are that the textile department, which had a disappointing year, may be about to benefit from improved conditions.

The loss in the 50 per cent. owned subsidiary West Central Holdings has been consolidated, and the directors are confident that the provisions made against further loss will be sufficient.

Exports during the year totalled £9.39m. against £7.22m.

Scottish Cities Investment Trust holds 27.17 per cent. of the equity of Stocklake, and The Scottish and Mercantile Investment Company 12.16 per cent.

Greaves Organisation stops trading

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

ONE OF the largest house builders in the West Midlands, the Greaves Organisation, yesterday announced that it had ceased trading and was going into receivership.

The company, which is also involved in industrial and commercial building activities, said that the decision had been forced upon it by liquidity problems. Greaves builds about 900 homes a year, putting it among the larger house construction companies, and employs over 300 people.

Greaves was founded in 1945, and Mr. E. I. Wheatley, the current chairman and managing director, joined the founder, Mr. J. R. Greaves, in the business in 1954. The company went public in 1966, at which time Mr. Harry Plotnek, now chairman of Allied Retailers, was finance director. Mr. Plotnek is still a director and at the year-end in March owned over 12 per cent. of the equity. This year, the company's share price has fallen from 19p to 4p.

A Board statement last night confirming that the company was joining the growing number of casualties resulting from the deepening recession in the construction sector, said that accounts for the six months ending in September showed the group *traded at a profit during* that period. A profit also seemed likely for the remainder of the year, the statement added.

In recent weeks, however, the group has been experiencing what it described as "growing pressure" from its trade creditors for accelerated payment, which has led to the cash crisis. The group's bankers, who have already this year provided substantially increased facilities, decided that, in view of the uncertain outlook for construction over the next year, they were not prepared to make any further additional funds available.

The Board statement added: "In the circumstances, we have been advised that we have no alternative but to cease trading. We much regret the hardship that will inevitably be caused to customers, creditors and shareholders of the group."

In the year ending March 1976, during which it reduced borrowings substantially, the group recorded a pre-tax profit of £61,119 against a loss last time of £1.43m.

R. Jenkins on target at halfway

SALES FOR the half-year to September 30, 1976 of Robert Jenkins (Holdings) increased from £6m. to £7.7m. and pre-tax profit expanded from £278,000 to £625,000. The forecast of a profit of £1.1m. (£0.95m.) for the year should be achieved, says Mr. A. R. Jenkins, the chairman.

The interim dividend is lifted from 2.3p to 10p gross per £1 share. Last year's total was 6.6p. Earnings per share for the half-year were up from 14.1p to 32.4p.

All the companies in the group contributed to profits and are currently busy, but the upturn in the market which had been expected to begin during the latter part of this year has not yet materialised, says Mr. Jenkins.

Though all companies are dealing with an increased volume of inquiries which appear to be related to positive contracts, there appears to be a continuing lack of confidence which is delaying the placing of orders and because of this, prospects for 1977-78 must be viewed with some caution. A resurgence of confidence in the New Year could see the group in such a position that it would have difficulty in dealing with the amount of work available.

Robert Jenkins, which is engaged in process plant design and contracting, etc., is an OTC company and the shares are traded "over the counter" by investment bankers M. J. H. Nightingale and Co.

Outlook at William Jacks

Mr. L. L. Cooper, chairman of Williams Jacks and Co., says that the Board anticipates that when sufficient of the company's overseas investments is finally disposed of, the proceeds of such sales will have a significant effect on the balance sheet.

The company's bankers have been of considerable help in assisting with the management of the company's indebtedness both in the U.K. and overseas, he adds.

Until such time as the sales referred to are effected there will be no resumption of dividends, says the chairman.

In qualifying the accounts the auditors state that the accounts are based on the assumption that the group is a going concern. The validity of this assumption is dependent upon the group being able to realise overseas investments at sufficient values as will enable it to repay borrowings which finally become due on *December 31, 1976, if sales cannot* be achieved at these values the validity of this assumption is dependent on the group being able to refinance such shortfall as may arise.

As reported yesterday taxable profit for the year to June 30, 1976, was £233,527 (£461,867) and there is a loss per share of 0.4p (3.96p).

William Jacks and Co. (Malaya) has a 48.35 per cent. holding in the company.

Meeting, Sunninghill, Berkshire, on December 23 at 11 a.m.

Setback at Bromsgrove Casting

Turnover of **Bromsgrove Casting and Machinery** expanded from £667,577 to £917,052 in the half year to September 30, 1976, but pre-tax profits fell from £188,000 to £94,600 including investment income of £3,000 against £6,500. There is no tax charge compared *with £37,200.*

The interim dividend is lifted from 0.7p to 0.8p net per 5p share. Last year's total was 1.8p paid from pre-tax profits of £234,658.

The directors point out that half-year profits were struck after charging expenses incurred in getting the new factory at Droitwich into production amounting to some £30,000. The full benefit of the new factory will not be received until last quarter of current financial year, they add.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or —	Div. Net	Times Covered	Gross Yield	P/E Ratio
—	F.P.	—	231½	225½	Monark $US1	228½	......	Q$1.[illegible]	—	3.0	
—	F.P.	—	30¼	29½	Utd. Technologies US$5	29¾	......	Q$1.[illegible]	—	2.5	—
—	F.P.	7/1	197	183	Willis Faber 5p	185	+2	7.0	2.4	5.6	10.9

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or —
††£94	£10	—	11¼	11½	Essex Water 9% Red. Pref. 1982	11¼	......
$US100	F.P.	—	$100	$98¼	Kockums Mek. 9% Guar. Notes 1983	$98¼	......
KD[illegible]	F.P.	—	[illegible]KD	98KD	Korea Development Bk 9% Guar. Bonds 19[illegible]	98½KD	......
$US100	F.P.	—	$100	$98	Midland Int. Fin. 8¾% Guar. Bds 1986	$98	......
11	F.P.	1/12	71	70	Newman Inds. 10% Cum. Pref.	70	......
$-100	F.P.	—	[illegible]	[illegible]	Nova Scotia (Prov. of)9% Db. 1983	$99	......
$US99	F.P.	—	$99½	$99	Sth. of Scotland Elec. 8½% Guar. Notes 1981	$99	......
$US99½	F.P.	—	$99½	$99	Sodra Skogsagarna 9½% Guar. Bds. 1986	$99	......
††£94	10	7/1	10¼	10½	Tendring Hundred Works 9% Red. Pf. 1981	10¼	......
—	F.P.	7/1	75¼	71	Willis Faber 7% Cum. Pref.	71	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date		1976 High	1976 Low	Stock	Closing Price p	+ or —
54	Nil	10/12	28/1	11¼	4	Assoc. Engineering	11pm	+1½
$A2	$A2	—	[illegible]	390	375	Broken Hi. Props.	375	—5
62	Nil	—	—	12	9	Chloride Group	12pm	+2
11	Nil	6/12	7/1	1¼	¼	Gray Electronic	1pm	......
25	F.P.	26/11	11/12	42	36	Fairbairn Lawson	31	......
124	F.P.	1/11	17/11	135	119	General Accident	135	+2
100	F.P.	29/10	10/12	140	101	Howden (Alexander)	126	+1
$A1.??	F.P.	3/12	17/12	210	180	National Bank of Australasia	190	......
$A1.20	F.P.	15/6		197	128	Western Mining	128	—5

Renunciation date usually last day for dealing free of stamp duty. *a* Placing price to public. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part capital, cover based on dividend on full capital. *g* Pence unless otherwise indicated. *u* Forecast dividend; cover based on previous year's earnings. *u* Figures based on prospectus or other official estimate for 1976 Q Gross. † Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ¶ Offered to holders of Ordinary shares as a "rights." ● 29p S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). * provisional or partly-paid allotment letters. § With warrants. ф After suspension. KD Kuwait Dinar.

BIDS AND DEALS

Over £1m. forecast by Oil Exploration

Oil Exploration (Holdings), which is acquiring Bates Oil Corporation from Atlantic Assets in a share exchange plus cash deal valued at around £3.7m., is forecasting pre-tax profits for 1976 of not less than £1.1m. compared with £715,000 for 1975. The company is expecting to recommend a dividend of 1.887p, the maximum permitted.

In a circular letter containing details of the proposed acquisition, the company says profits of Bates will be consolidated with effect from January 1, 1977.

Oil Exploration has a 4.6 per cent. stake in the Philips group, operators of the Hewett gas field in the North Sea, and the company has said its principal objective will remain the exploration and production of oil and gas in the U.K. continental shelf.

The acquisition of Bates, which has interests in a number of oil production leases in the U.S., is intended to give the company an entry into the U.S. and increase its cash flow in support of activities in both the U.K. and U.S.

In evaluating the acquisition, Oil Exploration has placed more weight on Bates cash flow (which is increased by tax deferrals) than on the contribution to net profits in accounting terms. It is estimated that profits for Bates in 1977 will be pproximaely £1.25m. before tax.

Net contribution to oil explorations profits will reflect interest on the loan note, tax and the write-off for accounting purposes of the premium which will arise on consolidation of Bates, and which is not allowable as a deduction for tax purposes.

It is considered proper and prudent that this premium should be amortised on a unit of production basis over the life of Bates oil and gas resources.

After interest on loan note at current rates, a full U.K. tax charge and the write-off of the acquisition premium (which is estimated to amount in 1977 to £390,000), net contribution to Oil Explorations 1977 profits after tax would be some £125,000.

TEA MERGER

The offer by Travancore Tea Estates for Southern India Tea Estates is being extended to December 13.

Acceptances have been received for 30,602 Ordinary and 4,390 Preference shares. Travancore held 2,000 Ordinary shares before offer was announced.

ARMSTRONG EQUIPMENT

Armstrong Equipment announces that terms have been agreed between its wholly owned subsidiary, Armstrong Autoparts and David Charles Skinner, for the acquisition of a business carried on as an auto electric engineer in Dundee, an acquisition which will strengthen the position of Armstrong Autoparts' distribution chain in the North East of Scotland.

Total consideration is £62,121, to be satisfied by the allotment of 200,798 Ordinary Shares. Mr. Skinner having elected to take cash, James Capel and Co. the brokers to Armstrong have placed the shares.

French aid for Selincourt takeover

Selincourt has received French Government aid, amounting to Frs.37m. (£4½m.) to take over the St Joseph Manufacturing Company in Bordeaux, which is about to be liquidated.

Substantial support will be given by the French Government and as part of the arrangement the Institute of Industrial Development, a company controlled by the French Government and a consortium of French banks, is to subscribe Frs.8m. (£900,000) in Selincourt's French subsidiary, Tricosa, amounting to 25 per cent. of the increased capital.

St Joseph, which incurred a loss of Frs.8m. last year, is a supplier of ladies and men's outwear, with a turnover of Frs.100m. and a labour force of 1,000.

Tricosa returned to a profit of £30,000 in the first six months of 1976 after a loss of £240,000 in the previous year.

JOHN NEWTON

The offer by Associated Newspapers Group to acquire the Preference stock of John M. Newton and Sons has been accepted in respect of 71,673 Preference units, representing 71.7 per cent. of those in issue. The Preference offer has now closed.

NO PROBES

The following proposed mergers are not to be referred to the Monopolies Commission: Ben Line Steamers and Sheaf Steam Shipping; S. Pearson and Son and Embankment Trust; Golden Hope Plantations and Pataling Rubber and London and Asiatic Rubber and Produce.

MEGGITT

Meggitt Holdings has acquired Hayward and Sons (Machine Tools) for £34,602 cash, being equivalent to the net assets as at March 31, 1976.

Haywards incurred a pre-tax loss for 1975-76 of £1,231.

TDG PURCHASE

Transport Development Australia (in which TDG has a 70 per cent. interest) has acquired the capitals of Greenways Refrigerated Transport Pty. and its associate Greenways Investment Pty.

Greenways is engaged in the transport of refrigerated goods within the State of Victoria operating 30 vehicles from a freehold site of 21 acres at Somerville (the site being owned by the investment company). Net assets acquired total some $A285,000. The acquisition is the first by TDA in the field of refrigerated road haulage.

JOHN JAMES STAKE IN LEAD INDS.

The John James Group of Companies has acquired 92,500 4.9 per cent. Preferred Ordinary shares of Lead Industries Group (10.17 per cent.).

Mr. John James, the chairman, said yesterday: "We've been building up this holding as an investment. We prefer a holding of over 10 per cent. to give us a stronger position in case there should be any take-over development."

ALFRED CLOUGH

Newman Industries offer for Alfred Clough has received acceptances totalling 60,766 Ordinary shares (4.12 per cent.), bringing Newman's holding up to 96.99 per cent. The offer has been extended until further notice.

ASSOCIATE DEALS

On November 29, Williams de Broe Hill Chaplin purchased on behalf of Booker McConnell 40,000 Kinloch (Provision Merchants) Ordinary shares at 229p. Hill Samuel sold 1,750 Booker at 103p for a discretionary investment client.

FISONS

Fisons Inc., the U.S. unit of Fisons, has taken an option to buy a 300-acre farm in the lower Rio Grande Valley of Texas.

The farm would be used for specialist testing of candidate agricultural chemicals produced by its research development facility in the U.K.

SHARE STAKES

London and Manchester Assurance has acquired £2,500 5 per cent. cumulative preference stock of Hellenic and General Trust. This increases its holding to £137,000 which represents more than one-tenth of the nominal value of a class of capital carrying unrestricted voting rights. However, as both Pref. and Ord. shares carry unrestricted voting rights the total holding of London and Manchester in fact only represents 5.671 per cent. of the free unrestricted voting rights of Hellenic.

Vickers da Costa loss on U.K. operations

LONDON stockbrokers, Vickers da Costa lost £350,000 on its U.K. operations and made a profit of £360,000 overseas in the 16-month period ending in August 1976. On top of this there were exchange differences of £160,000, tax recoveries of £150,000 and extraordinary items of £290,000 which, as chairman Mr. Ralph Vickers states, "transform this depressing result into an apparent profit of £610,000."

He describes this as "an illusion which only demonstrates yet again the problems of operating from the base of a weak currency."

"To talk in terms of fact rather than fancy, we have failed for the third year running to achieve a return on capital employed as high as we would have got by investing in Government stock; and there is so far no sign that the current year will be any better."

Mr. Vickers attacks the basis of the Stock Exchange's levy, which cost his firm £38,000 in the period, and describes it as "indefensible."

"For example, the revenue of our Hong Kong subsidiary is subject to the tax despite the fact that it is a totally separate entity, which derives no benefit whatsoever from its parent's membership of the Stock Exchange—indeed that membership may in some cases restrict its ability to compete for business and earn profits," he declares.

Mr. Vickers said that his firm is working for the establishment of a traded options market in London, and believed that this has a crucial function to perform in restoring public interest in the stock market.

In order to mitigate the effects of the recession, the firm had started a programme of voluntary early retirement.

"As a result of this, and natural wastage, it has been able to keep forced redundancy to a minimum." The firm employed 263 people at August 31.

S&P Investment Trust units

The managers of Save and Prosper Investment Trust Units, in their report for the year to October 15, 1976, reveal that the level of discounts between asset values and market prices of investment trusts continue to cause concern. The widening of discounts has resulted in a weak performance of investment trusts compared with both the U.K. and U.S. markets.

They support strongly the various efforts being made to find a solution to this problem. The managers had done a considerable amount of research during the year into the asset performance of investment trusts and concluded that this has compared favourably with stock market indices.

During the year the income to the fund, less management charges, amounted to £4.38m. and the distribution for the year was 62p per 100 units against 57p in 1975. The value of the fund fell from £139m. to £106m. during the year as a result in the fall in the market value of the portfolio.

The managers do not expect the U.K. stock market to move significantly higher until the country's major economic problems show signs of being resolved. In contrast, the managers believe that there are sound underlying growth prospects in the U.S. sufficient to sustain the economy without an increase in the rate of inflation and consider American share prices to be attractive at present levels.

Jokai Tea lifts total to 7.86p

THE REDUCED pre-tax profit indicated by Jokai Tea Holdings turns out to be £1,793,377 for the year to March 31, 1976, compared with £1,828,380 for the previous year.

After tax and extraordinary items, the net figure is up slightly from £711,606 to £719,432.

The dividend is lifted to 7.86p net per £1 share, compared with a forecast of at least maintenance of 7.15p.

Progress at Sheffield Refreshment

Turnover of Sheffield Refreshment Houses increased from £227,600 to £406,550 in the half year to September 30, 1976 and there was a profit of £28,634 compared with a loss of £2,646. Tax takes £13,300 (nil) less a deferred credit of £3,900 (debit £10,816).

The directors say the long hoped for improvement is beginning to emerge. They expect full year profits to show an improvement over the past two years and anticipate again increasing the dividend. Last year's payment was 7.32p net per 25p share from profits of £66,319.

Comparisons have been adjusted to accord with the manner in which certain items were dealt with in the 1975-76 accounts. Comparable figures reflected the opening expenses and losses at Hotel St. George. This has become the group's most profitable establishment and in future there should be less disparity between the first and second half profits.

The Omega Restaurant is still disappointing but rumours of its impending sale or closure are wholly without foundation.

Cumulus Trust

The chairman of Cumulus Investment Trust, Mr. J. L. E. Smith, has given an undertaking that if the profits of the subsidiary Cumulus Systems are less than £12,500 in the current year, he will make up the profits to this amount.

The subsidiary incurred a loss in the year to September 30, 1976, of £12,539, or £7,217 after tax. Mr. Smith tells members that he considers its prospects good.

Profits of the trust fell from £53,283 to £25,745 (reported November 8). An amount of £19,764 was drawn from reserves in order to maintain the dividend at 0.7p net per 25p share. This absorbed the whole of last year's surplus and about £8,000 more.

Holdings of U.K. equities were reduced during the year, Mr. Smith says, and by the year end cash and gilt edged securities represented approximately 22 per cent. of total funds. Liquidity has been increased somewhat since then, he adds.

Meeting, 20, Fenchurch Street, E.C., December 23 at 10.30 a.m.

RECEIVER FOR INTERSCAN DATA

Interscan Data Systems (U.K.) has requested its bankers to appoint a receiver, and Mr. A. M. Homan, a partner in Price Waterhouse, has been named.

Negotiations are in progress for the transfer of the company's computer maintenance business to its principal suppliers. It is expected these arrangements will provide the company's customers with continuity of service.

Setback for New Court

A REDUCTION in revenue before tax from £891,055 to £594,370 is reported by New Court European Trust for the year to September 30, 1976.

Earnings per 25p share are shown to have fallen from 2.1p to 1.4p and the dividend is cut from 1.9p to 1.4p net.

After tax of £306,634 compared with £462,940 the net balance comes through at £287,736 (£428,115).

Net asset value per share is 62p (same).

T. Warrington downturn halfway

Turnover of general building and public works contractors, Thomas Warrington and Sons, rose from £2.78m. to £3.68m. in the first half of 1976, but profits fell from £102,000 to £73,000 before tax of £38,000 against £55,000.

Earnings are shown to be down from 1.5p to 1.1p per 25p share. The interim dividend is held at 1.1637p costing £34,981—last year's total was 3.1312p paid from pre-tax profits of £224,829.

Mr. Brian Warrington, chairman, says the fall in profits was entirely due to the fierce competition in contracting and private house sales, resulting in a much lower profit margin. Higher running costs within the company also had to be absorbed.

Private house sales are continuing at a reasonable level and a considerable number of contracts have been secured but the level of inquiries is falling off in the contracting sector and this is bound to be reflected in the results for 1977 and 1978.

UBAF doubles capital

The Ordinary capital of UBAF, the London-based consortium banking group, has been doubled to £10m.

The increase has been made, the bank explains, to support the continued expansion of its business. The new capital has been contributed by the company's three shareholders, and is in addition to the $11.68m. of subordinated loans which they have provided.

UBAF's shareholders include the Midland Bank in the U.K., which holds a 25 per cent. stake. The bank is a member of the international Franco-Arab UBAF group, and its major shareholder with 60 per cent. is the Paris-based Union de Banques Arabes et Françaises. The third shareholder is Libyan Arab Foreign Bank.

Somic half year progress

On sales up from £704,594 to £809,104, profit of kraft paper spinners and weavers, Somic, increased from £58,289 to £80,643 in the half-year to September 30, 1976, subject to tax of £41,934 (£30,310).

Trading conditions and profit levels in the U.K. are improving very slowly. Export sales, however, are now benefiting from the considerable effort undertaken, the directors state.

Earnings per 25p share for the half-year increased from 1.399p to 1.935p, the interim dividend is raised from 0.7875p to 0.8662p net, and the directors forecast at least maintenance of the final at 1.3242p.

RESULTS AND ACCOUNTS IN BRIEF

CITY AND COMMERCIAL INVESTMENT TRUST—Asset value per capital share at October 31 was 61½p, not 67½p as stated yesterday.

BRITISH ANZANI—Results for year to March 31, 1976, reported November 27, with chairman's comments on prospects. Fixed assets £26.77m. (£28.98m.). Net current liabilities £20.17m. (£17.82m.) including secured bank overdrafts £2.78m. (£3.88m.) and secured bank and other short-term loans £17.58m. (£12.89m.). Meeting, Maidstone, on December 22, at 11 a.m.

CLRP INVESTMENT TRUST—Results for the year to August 31, 1976, already reported. Market value of investments quoted in the U.K. £7.9m. (£8.02m.). Quoted abroad £4.3m. (£3.22m.). Directors' valuation of unquoted investments £248,331 (£219,856). The 20 largest investments total £7.49m. and account for 28.2 per cent. of the portfolio. At August 31 there was a decrease of £372,000 (£62,000 increase) in liquidity. Prudential Assurance Company holds 13.2 per cent. of the company and Royal Insurance Company holds 10 per cent. Meeting, Winchester House, E.C., on December 22, at 10.45 a.m.

GLENMURRAY INVESTMENT TRUST—Final dividend 0.80p making 1.45p (1.35p) net per 25p share year to October 31, 1976. Interim in respect of current year 0.7p. Net revenue before tax £143,137 (£147,761). Tax £60,374 (£59,963). Available Ordinary £77,783 (£77,828). Dividends £78,340 (£67,553). Forward £89,819 (£5,763). Earnings per Ordinary 1.46 (1.58p). Earnings assuming full conversion of the "B" Ordinary shares 1.34p (1.37p). Net assets £4,094,700 (£4,273,550). Net asset value per Ordinary and "B" Ordinary share 76.1p (69.6p).

W. HENSHALL AND SONS (ADDLESTONE)—aircraft components—Turnover £306,877 (£302,954) half year to September 30, 1976. Profit, after depreciation, £61,067 (£36,264). To tax £32,000 (£20,300). No interim dividend (0.1665p—total 0.4465p).

HOENIX MINING AND FINANCE—Turnover £475,026 (£1,137,380) for year to September 30, 1976, pre-tax profit £28,348 (£35,904) includes dividend from associate company £4,802 (same). Tax debit £8,993 (credit £403). Retained £6,958 (£12,365). Earnings per 25p share 0.71p (3.21p). Dividend 0.375p net (1.5p). Profit before dividend from associate company is after crediting £26,678 (nil) surplus arising from first distribution on the investment in Australian Commonwealth Carbide Company (in liquidation) and after providing £15,495 (£1,337) for the difference between book and market values of investments. The profit and loss account now includes only the share of Globe and Phoenix Gold Mining Company which has been distributed by way of dividend. Figures have been restated in accordance with this change in policy.

JANTAR (mining and U.K. factoring)—No dividend (same) for 1975. Loss £35,061 (profit £47,308) after tax £17,788 (£85,640). Profit attributed £16,340 (£2,845). Loss per share 4.4p (earnings 2.4p).

MALAYAN TIN DREDGING—Results, for year ended June 30, 1976, already reported. Fixed assets £2.38m. (£2.11m.). Net assets £7.84m. (£8.93m.). Meeting, 55-61, Moorgate, E.C., December 21, at noon.

WM. MOWAT AND SONS (property and hide and skin factors)—Turnover, year to July 31, 1976, £183,156 (£531,834). Profit £2,571 (£452), less tax £234 (credit £242).

MUNICIPAL PROPERTIES—Rents receivable £86,772 (£79,688) for half-year to June 30, 1976. Profit £32,144 (£39,787) after all charges including tax of £35,000 (£45,000) and includes surplus of £3,196 (£32,120) before tax arising on sales of property by the dealing subsidiary.

OCEANA CONSOLIDATED (investment trust)—Profit £51,070 (£30,813) for half year to September 30, 1976, before tax £18,180 (£11,419). Earnings per share 2.30p (1.4p). Board expects second half to be roughly in line with second half of 1975-76—when profits were £28,817.

RENONG TIN DREDGING—Second and final dividend 3.3p making 5p (12.8p) for year ended June 30, 1976. Pre-tax profit £65,555 (£120,767), tax £22,236 (£72,337), leaving £43,575 (£78,430) before surplus on sale of Government securities nil (£23,990) and gains on exchange £128,798 (£96,274) which has been transferred to exchange reserve.

RUSTENBURG PLATINUM HOLDINGS—Results ten months to August 31, 1976, already known. Investment in unlisted subsidiaries R243.1m. (R40.38m.). Net current assets R9890.0 (R24,000). Meeting, Johannesburg, February 9.

SMITHS HOLDINGS (WHITWORTH)—makers of machinery for chemical, paper, food, etc., industries—Turnover £590,348 (£522,894) half year to September 30, 1976. Profit £42,080 (£31,667), including surplus on disposal of fixed assets nil (£1,073).

SOUTHERN MALAYAN TIN DREDGING—Results, for year ended June 30, 1976, already known. Fixed assets £1.84m. (£1.78m.). Net assets £4.87m. (£3.88m.). Meeting, 55-61, Moorgate, E.C., December 21 at 12.15 p.m.

SUNGEI BAHRU RUBBER ESTATES—Results year to June 30, 1976, already known. Group fixed assets £914,873 (£789,707). Net current assets £13,097 (£2,139). Crop first four months current year up 27 per cent. at 346,655 kg. With much improved crop in prospect and present prices looking reasonably firm for immediate future, improved results seem indicated for year, says chairman. Dunmakande Rubber holds 10.8, Kinta Kellas Rubber 11.3, and Malaysia Rubber 17.1 per cent. of capital. Meeting, 1-4, Great Tower Street, E.C., December 22, noon.

TRANSVAAL CONSOLIDATED LAND AND EXPLORATION—Results year to Sept. 30, 1976 already known. Group fixed assets R67.24m. (R36.56m.), Investments R27.99m. (R25.85m.), liabilities R23.7m. (R14.18m.). Meeting, Johannesburg, January 26.

Cash injection for Hallam Grp.

A £4.15m. cash injection for the ailing building manufacturer Hallam Group of Nottingham has been made by its joint shareholders Montague Meyer and May and Hassell, after the company announced a £2m. pre-tax loss for the first half of 1976.

The two timber companies are putting up £4.15m. by way of unsecured loans and have each converted £1.25m. of their loan accounts into Ordinary capital by subscribing for 5m. new shares each.

Hallam, which was acquired in 1973 for £4m., lost £1.34m. in its last financial year and as losses have now exceeded available reserves, the Preference dividend due on December 31 has been passed.

A statement yesterday said that "every effort is being made to restore the group to a viable basis and to preserve the maximum possible opportunities of employment."

In the past 18 months Hallam has axed about 2,000 jobs and its present 600-700 employees are concentrating on systems building and plastics.

Directors from the two shareholding companies have been seconded to the group on a full or part-time basis to strengthen management.

Increase at Concrete Ireland

After an increase at half-way from £330,000 to £720,000, pre-tax profits of Marley subsidiary Concrete Products of Ireland for the year ended September 30, 1976, showed an advance from £1.15m. to £2.09m.

Stated earnings are up from 8.44p to 13.94p. The final dividend of 3.25p net per 25p share lifts the total from 4p (adjusted for July's scrip issue) to 4.0625p.

Trading profit for the year showed an increase from £1.45m. to £2.3m. After tax of £975,000 against £475,000, net profit emerged at £1.12m. compared with £675,000.

Parkland Textile recovery

BRADFORD - BASED worsted combers, spinners and manufacturers Parkland Textile (Holdings) reports a turnround from a loss of £167,000 to a pre-tax profit of £674,000 for the half year to September 3, 1976. Turnover improved from £8.2m. to £10.72m.

The interim dividend is resumed, after being passed last year, with a payment of 1.21875p net per 25p share. Last year's final was 0.853125p from pre-tax profits of £32,564.

Tax for the half year was £350,000 against a credit of £84,000, leaving a net profit £324,000 against a loss of £83,000. Profit attributable was £316,000 (loss of £91,000).

Mr. J. L. Hanson, the chairman, says that order books are substantial, and with nine months of the year already completed he anticipates that the remainder of the year will also be successful.

HAZLEWOODS

The directors of Hazlewoods (Proprietary) are not declaring a half year dividend on the Preference shares due on December 31.

BTR LOAN STOCK

General rubber manufacturers BTR proposes to redeem the £300,000 10 per cent. Unsecured Loan stock 1990-95 at £87 per cent.

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Transvaal Consolidated Land and Exploration Company, Limited

(Incorporated in the Republic of South Africa)

The following is from the statement by the Chairman, Mr. A. C. Petersen, for the year ended 30th September, 1976.

As can be seen from the following summary of the year's results, the Group has continued to expand its total operations and increase its profits.

	1976	1975
Consolidated profit before taxation	R26 969 000	R15 102 000
Taxation	R10 213 000	R 3 543 000
normal	R 2 817 000	R 885 000
deferred	R 7 396 000	R 2 658 000
Outside shareholders' interests after taxation	R 3 370 000	R 1 576 000
Consolidated profit after taxation and outside shareholders' interests	R13 386 000	R 9 983 000
Earnings per share	183.2 cents	136.7 cents
Investment realisation per share, after tax	2.9 cents	9.7 cents
Dividends per share	75 cents	65 cents
Dividend cover	2.44	2.1

However, the past year has seen considerable changes in the pattern of the Group's activities particularly in the contributions from the various operations. The coal and chrome operations are beginning to justify the expenditure on their expansion which was initiated some years ago, while the dividends from gold and platinum mining companies fell dramatically with the fall in the price of gold and general weakness in the platinum market. The profit from investment realisation dropped sharply, due to limited dealings and the depressed state of the stock market. Overall, the consolidated profit before taxation rose by 78.6% and after taxation and interests of outside shareholders by 34%. Because of the high capital expenditure in the coal and chrome mining subsidiaries, the bulk of taxation is the provision for deferred tax and as such is available for financing of the Group's activities.

The change in the net attributable earnings of the various activities between 1975 and 1976 is as follows:

of gold will have a very marked effect on this major investment of the company.

Harmony had high uranium earnings in its 1975/1976 year and has plans for the sale of its stockpile and for expansion of its uranium production. Blyvooruitzicht Gold Mining Company Limited in which T.C.L. has a substantial investment is also expanding its production of uranium.

Platinum

The market for platinum has always been strongly influenced by the economic conditions prevailing in the western world. Last year was one of general recession and as a result dividends from this source were well below those for 1974/1975. The upturn in the American economy in the middle of this year seemed to promise better things for the 1975/1976 period, but this upturn has not been as marked or sustained as was expected and, although an improvement in dividends from this source can be expected in the current year, it might not be as large as one would hope for. Rustenburg Platinum Holdings Limited's recent dividend was not included in the results published in this report, having been declared payable to shareholders registered after the year end.

Asbestos

Royalties from mineral tributes showed a marked increase over those received last year; this was due to the buoyant market for asbestos fibre which resulted in extra royalties to T.C.L. from the Penge asbestos mine. Although the general demand for asbestos fibre has remained strong the particular demand for amosite asbestos has fallen considerably and I do not expect royalties from this source to be as high in 1976/77.

Forestry and Timber

During the year under review, T.C.L. increased its interest in Lotzaba Forests Limited from 51% to 61%. The Lotzaba company had a satisfactory year and continued with its programme of converting farm land into forest land. After the State had expropriated the site on which Lotzaba's sawmill at Tzaneen was

	1976 R	1976 per cent	1975 R	1975 per cent
Dividends from gold mining	2 015 000	15.05	4 751 000	47.59
Dividends from platinum mining	585 000	4.37	993 000	9.95
Royalties from mineral tributes, after tax	1 371 000	10.24	728 000	7.29
Investment realisation, after tax	212 000	1.58	709 000	7.10
Exploration expenses, less sundry income	(246 000)	(2.58)	(882 000)	(8.84)
Earnings from collieries	7 313 000	54.67	2 710 000	27.15
Earnings from chrome mines	1 850 000	13.82	571 000	5.72
Earnings from timber	381 000	2.85	403 000	4.04
	R13 386 000	100.00	R9 983 000	100.00

The major portion of the increase in earnings from the collieries flowed from the coming on stream of the low ash coal plant at Van Dyks Drift and the subsequent export of this coal to Japan and of the associated middlings to Europe through Richards Bay. These earnings have brought in valuable foreign exchange to South Africa during the five months that the plant has been running and they will be even larger during the full year 1976/1977.

A significant increase in the controlled price of coal was granted by the Price Controller in July 1976, the effects of which will be more fully reflected in the results of our subsidiary coal companies for the year to September 1977. However, I consider that the main advantage gained by the coal industry was the recognition by the State that by introducing a more realistic coal price formula, the collieries would have earnings to plough back into the expansion of coal production for the inland market. Until the recent increase, the price received for coal on the inland market was not sufficient to justify any investment in further production for this market.

The collieries in the Group are busy expanding that section of their operations concerned with the inland market and in addition, Witbank Colliery Limited is going ahead with work on the giant Duvha Colliery which will supply the Duvha power station. Planning of this surface strip mine is well advanced for the initial supply of 1.5 million tons of coal per annum towards the end of 1979, ultimately increasing to 9.4 million tons per annum.

Of equal magnitude will be T.C.L.'s development of the Rietspruit Colliery. This is the joint venture with Shell for the mining of approximately 100 million tons of coal for export over the next 20 years. This colliery is also due to come on stream in 1979 but, unlike Duvha, will move into production at the rate of 3 million tons per annum almost immediately and build up to 5 million tons or more per annum as soon as additional transport facilities are available.

Chrome

Despite the slow recovery overseas, the market for chrome ore remained satisfactory during the past year and demand is showing a further improvement at the present time. The growth in the rate of exports will depend upon a sustained rate of recovery in Europe, Japan and the United States. In addition, the local demand for chrome ore has also improved during the year and subject to unforeseen circumstances, this should expand even further in the year ahead.

The programme of expansion in this field will continue during the next few years in anticipation of growing internal and export requirements. Large capital sums will be spent in increasing production at all three mines, namely Winterveld (T.C.L.) Chrome Mines Limited in the Steelpoort area and Millsell Chrome Mines (Pty.) Limited and Henry Gould (Pty.) Limited in the Rustenburg area, and it is anticipated that the total production of these three mines will be raised to nearly 2 million tons per annum by 1980.

Gold and uranium

The serious drop in dividends received from gold mining investments is shown in the tabulation. The costs of production continue to rise and, perhaps more than any other sector of the economy, the gold mining industry's health will be determined by the effectiveness or otherwise of the anti-inflation measures being adopted in the country at the present time.

The company's main gold and uranium mining investment is in Harmony Gold Mining Company Limited which is involved in a major expansion. Its revenues were badly affected by the drop in the price of gold and its directors considered it necessary to pass the final dividend for the year ending June 1976. However, it is hoped that when the major portion of its capital programme has been completed Harmony's potential as a large, although low grade, gold and uranium producer will enable it to resume dividend payments. It is obvious that the future price

situated, construction of a new sawmill with a 30% higher capacity was commenced. The total cost will be approximately R1 250 000 and the mill is due to be fully commissioned in January 1977.

Exploration and development

The geological investigation of areas over which the mineral rights are either owned or are held under option by T.C.L. continues to be an important facet of our activities. During the year the investigation of the exploitation of the low grade fluorspar deposit in the Western Transvaal was completed. However, in view of recent market developments it has been decided not to proceed with full scale exploitation at this time. The company will continue to monitor the market for this commodity with a view to commencing production at some appropriate future date. Geological field work on a tin deposit in the Northern Transvaal has been concluded and the results of this work are now being evaluated. Coal prospecting has proceeded at increased tempo; options were acquired over additional coal rights to those already owned or held under option and at the year end several areas were under examination. The investigation of chrome deposits on certain company properties was commenced towards the year end and will form an important part of our activities in the coming year. Options to acquire the mineral rights over two adjoining areas in the Southerland district were exercised at the year end. It is in this area that our investigations have disclosed the existence of a large complex ore body of base minerals whose exploitation must be deferred until metallurgical separation problems can be resolved. The company is prospecting for uranium in the Klerksdorp district of the Transvaal.

Finance

The expansion in the chrome and coal activities, and in particular the new collieries at Duvha and Rietspruit, will be financed partly from outside and partly from retained earnings, amortisation and deferred tax. In addition to the borrowings reflected in the accounts, outside finance of approximately R50 million has already been negotiated from a combination of South African and overseas sources for periods suited to our requirements; in addition, a further R13 million is in the final process of negotiation. In the circumstances as seen at present, it should not be necessary to raise any further large amounts from outside sources for these projects.

Listed investments held by the Group

The market value of the Group's listed investments excluding the Group holdings in the subsidiaries, Witbank Colliery Limited and Welgedacht Exploration Company Limited, dropped from R58 772 000 at 30th September 1975 to R39 362 000 at 30th September 1976 in line with the general retreat in share prices on the Johannesburg Stock Exchange. However, the market value of the holdings in Witbank and Welgedacht almost doubled and the resultant total value of the listed shares held by T.C.L., including Witbank and Welgedacht, increased from R92 million to R105 million.

Future prospects and dividends

An interim dividend of 23 cents per share was declared on 11th May 1976 and a final dividend of 52 cents per share was declared on 28th October 1976 payable in January 1977. The company can expect only slight improvements in dividends from gold and platinum in the next year, but hopefully these will recover from 1978 onwards. On the other hand, coal and chrome earnings are expected to rise substantially—as the various projects I have mentioned get under way. Inclusion of the exports of coal through Richards Bay for the full year will make an appreciable difference in coal earnings for the years 1976/1977 and 1977/1978 and thereafter the new projects should become revenue producing. Both internal and export sales of chrome should improve again this year. Although capital expenditure will be very high, the financial arrangements mentioned previously should enable sufficient profit to be available, after providing for various capital items, to ensure increasing dividends in the next few years.

The eighty-first Annual General Meeting of Transvaal Consolidated Land and Exploration Company, Limited will be held in Johannesburg on 20th January 1977. Copies of the Annual Financial Statements can be obtained from the Office of the London Secretaries, Charter Consolidated Limited, 40 Holborn Viaduct, EC1P 1AJ and the Share Transfer Office of the London Secretaries at P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

MINING NEWS

Australian unions may lift uranium ban

BY PAUL CHEESERIGHT

RELAXING THEIR consistent opposition to uranium mining and exporting, 18 key trade unions in Australia are recommending to the Australian Council of Trade Unions that existing contracts for the supply of uranium oxide to overseas buyers should be honoured.

The decision was taken at a special conference in Sydney and would bring trade union policy into line with the stand adopted by the Australian Labor Party last week.

Last month unions embracing the metalworkers, builders, miners and railwaymen countered a Commonwealth Government decision to lift a 1972 embargo on contracted exports with a call for a continued ban not only on exports but also on uranium mining.

The contracts affected by the change in attitude involve the delivery of 11,700 tonnes of uranium oxide to customers in Japan, the U.S. and West Germany by 1986. With only one mine currently in operation, the Rio Tinto-Zinc group's Mary Kathleen, most early deliveries would have to be met from the Government stockpile. Hitherto Mary Kathleen has in any case been prevented from doing more than mine for stockpile.

The union's ban on uranium mining and exports has been based on environmental and political grounds. It was partly as a counter to this that the Commonwealth Government established the Fox Commission to examine the environmental effects of uranium mining and delayed any major decision on uranium policy until the Commission made its recommendations.

In October the first of two Fox reports gave qualified general approval to uranium mining but postponed judgment on specific projects until its second report, expected early next year, has been made.

VITAL TALKS ON ALWEST PROJECT

Meetings in Honolulu this weekend could decide the future of the Alwest bauxite mining and alumina producing project in Western Australia. The talks aim to provide a corporate structure for the project and involve a decision on the entry of another group into the existing consortium of Reynolds Metals of the U.S., Australia's Broken Hill Proprietary and Mr. Rupert Murdoch's News Ltd.

Our Perth correspondent reports that two main lines of development are under consideration. Either Alcoa of Australia becomes the main participant or Alcan, the Canadian group, dominates the consortium. The Asarco affiliate, Revere Copper and Brass, has in the past been mentioned as a possible partner.

Mr. Murdoch has indicated that there could be an announcement before Christmas on the go-ahead for the project, our correspondent adds. The project could start with an annual production of 1m. tonnes of alumina and quickly double this capacity.

DECEMBER GOLD DIVIDENDS

In the first batch of December dividends to be announced by the South African gold mines, Buffelsfontein is declaring an interim of 40 cents (28p). Although well below the previous interim of 75 cents, which was followed by a final of 50 cents, the reduction in the latest payment is less than was expected.

The struggling West Rand Consolidated, a receiver of State aid, has managed to maintain its 10 cents dividend total with a final of 5 cents (3.5p) for 1976. Stilfontein, which is also State-aided, is paying a final of 11 cents (7.67p). This is much in line with expectations and makes a year's total of 22 cents against 38 cents for 1975.

ROUND-UP

Metal production has resumed at three of the four Quebec smelters belonging to the Aluminium Company of Canada. The smelters were closed in June by a strike, but a new collective pay agreement has been signed. Production should be back close to pre-strike levels by the end of the year.

* * *

Mining and concentrating operations are to be resumed by Kennecott Copper at its Nevada mines division. About 600 out of 900 employees laid off will be called back to work. Kennecott's decision comes after the company was granted a court injunction against the Environmental Protection Agency, which had wished to enforce certain regulations on smelter operations.

TCL still on rising path

SOUTH AFRICA'S Transvaal Consolidated Land coal-to-platinum group anticipates that despite high capital spending its profits should still ensure the payment of increasing dividends over the next few years. In the year to last September TCL lifted its dividend by 10 cents to 75 cents (52.3p) out of earnings of R13.39m., or 183.2 cents per share.

Major revenue sources in 1975-76 were: coal (54.67 per cent.), gold (15.05 per cent.), chrome (13.82 per cent.), mineral royalties (10.24 per cent.): and platinum (4.37 per cent.). The market value of the investment portfolio increased from R92m. to R105m. (£73m.) thanks to an almost doubling in the value of the holdings in Witbank Colliery and Welgedacht Exploration.

In the current financial year TCL expects only slight improvements in dividends from gold and platinum, but hopes that these will recover from 1978 onwards. Coal and schrome earnings are expected to rise substantially as the various new projects get under way while chrome sales should improve again this year. The shares were 975p yesterday.

ANGLOWEST

Anglowest proposes to change its name to Westminster Investment Group.

APPOINTMENTS

Chrysler posts in Europe

CHRYSLER INTERNATIONAL has appointed Mr. G. M. Pfeiffer as executive director, sales and marketing, Europe, responsible for directing passenger car sales and marketing. He continues as director, sales and marketing, for Chrysler United Kingdom. Mr. T. A. Coupe, executive director, sales and marketing, for Chrysler International Distributor Operation has been assigned additional duties to assist in the development and restructuring of sales and marketing for passenger cars and commercial vehicles. Both will report to Mr. Donald Lander, vice-president, Europe.

Mr. Georges Roy has been made deputy managing director of Chrysler France and retains his responsibilities as director, sales and marketing, of that concern.

★

Mr. Michael L. Meakin, chairman and managing director of Montfort (Knitting Mills), has been appointed president of the KNITTING INDUSTRIES' FEDERATION. Mr. John A. Wheatley, chairman and managing director of Elite Hosiery, has been elected vice-president of the Federation.

★

Mr. Andrew Lamb has been appointed investment manager of the MARINE AND GENERAL MUTUAL LIFE ASSURANCE SOCIETY and Mr. Stan Martin becomes investment manager (fixed interest).

★

Mr. Ronald E. Dunn has been named president and chief operating officer of COMMERCIAL CREDIT EUROPE, INC., a subsidiary of Commercial Credit Company of the U.S. He will be based in London.

★

Mr. George Vukotic has joined the Board of WILLIAM REED AND SONS with special responsibility for the development of its non-U.K. activities. He will operate from Paris.

★

Following the appointment of Mr. Colin Lyle as vice-chairman of Tate and Lyle's new subsidiary Manbre and Garton, he will be relinquishing his position as chairman of TUNNEL REFINERIES. He will be succeeded as chairman of Tunnel by Earl Jellicoe, who is a non-executive director of Tate and Lyle.

★

Mr. J. P. Fortuin, general manager of the Polymers Division of Shell International Chemical Company, has been appointed Chemical Co-ordinator The Hague with SHELL INTERNATIONALE CHEMIE MAATSCHAPPIJ B.V. He succeeds the late Mr. G. Kaan. Mr. A. N. Binder, at present a member of the Polymers Division management, is to succeed Mr. Fortuin as general manager of the division from January 1.

★

Mr. James Gibb, having reached retirement age, has resigned as a director of MATTHEWS WRIGHTSON HOLDINGS and of its subsidiaries, including Stewart Wrightson and Matthew Wrightson Pulbrook.

★

Mr. Michael J. Scott is resigning as a non-executive director of LETRASET INTERNATIONAL to take up an appointment with MANPOWER as general manager, finance and administration.

★

Mr. J. T. More, manager, personal financial services of the BANK OF SCOTLAND, has been appointed assistant general manager (personal financial services).

★

Mr. David Simmonds has been appointed director, U.K. marketing, of SEARLE MANUFACTURING COMPANY (Prestcold Group).

★

United City Merchants states that Sir Robin Brook has been appointed a director of C. E. COATES AND CO., the merchant bank which recently became a subsidiary and now forms part of the UCM group's banking division. Sir Robin is vice-chairman of UCM.

★

Miss Dorothy N. Barrett has been appointed a part-time member of the Board of BRITISH AIRWAYS from January 1, 1977, until December 31, 1979. Miss Barrett is a director of John Lewis Partnership and chief registrar.

★

Mr. Peter May has been appointed a director of WILLIS FABER AND DUMAS.

★

Mr. C. G. H. Simon has resigned as a director of SIMON ENGINEERING on reaching retirement age.

★

Mr. Geoffrey Murray has resigned as a director of DOULTON AND CO to take up a new appoinment.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Further growth in profits at BMW

BY ADRIAN DICKS — BONN, Dec. 1.

BAYERISCHE Motoren Werke, the Munich-based motor manufacturer, expects even better profits for 1976 than it earned during the "outstanding" year 1975, the company's chairman, Herr Eberhard von Kuenheim, said to-day. But he added that it would be premature to make a final dividend forecast—not because there was any doubt about net earnings, but because of lingering uncertainties over the possible effects of new tax regulations.

Eberhard von Kuenheim

At the same time, the BMW chairman said he would not rule out a dividend increase for 1975. BMW raised its dividend to DM9 per share from DM7 in 1974, taking dividends back to the same level as in the last pre-recession year of 1973.

The 1976 figures show an increase in BMW's turnover of over 30 per cent., with an increase in the labour force of only 4 per cent., Herr von Kuenheim also said. Although this would indicate a slowing down from the rate of growth of turnover during the first six months—just over 38 per cent.—it nonetheless indicates that the company has continued to out-perform most of the rest of the West German motor industry.

The BMW chief repeated the view he has been expressing for several months, that the company should not expect this very rapid trate of growth experienced during the past two years necessarily to continue in 1977. He pointed out that present limits on capacity would alone make it hard to maintain such a record.

Referring to BMW's plans for the future, Herr von Kuenheim said a range of different possibilities was "on the boil." He appeared to rule out any manufacturing operation in the U.S., but left the impression that the company might consider an operation in the Far East. In the meantime, BMW's assembly plant in South Africa had stepped up production this year to 7,000 vehicles from the 2,000 a year in 1974 when the facility was opened.

N. Telecom deal

NORTHERN Telecom, the U.S. arm of Canada's Northern Telecom Limited, plans to buy the stock of Telecommunication Systems of America, of Memphis, Tennessee, for an undisclosed amount to be paid in cash, writes Robert Gibbens from Montreal.

TSA is a distributor and installer of telecommunications equipment in the South-East of the U.S.

● NEWS ANALYSIS—GKN AND SACHS

Taking the long term view

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

BY TAKING control of Sachs, the West German engineering group, Guest Keen and Nettlefolds would further its ambitions both to increase its operations outside the U.K. and to diversify into products closely related to its existing business.

The Sachs deal offers all this at no great financial risk.

Common market

When he took over as chairman of GKN nearly two years ago, Mr. Barry Heath made it clear that there was no question of Britain's biggest engineering group making any radical change of direction.

He did believe, however, that the group's operations were directed too much at the U.K. and the old Commonwealth countries and that this needed to be balanced by better representation in the Common Market—Mr. Heath being a vocal pro-Marketeer.

He also said that GKN needed new products and had perhaps been too slow to develop them for itself in the past.

Less than a year later—in December, 1975 — GKN announced the deal with Sachs.

In one big step the acquisition would add more than 50 per cent. to GKN's overseas turnover of around £360m. (the 1975 figure). It would add 78 per cent. to GKN's sales in Europe worth £240m.

Sachs' operations are also almost entirely complementary to those of GKN. The overlap is in the manufacture of clutches. Sachs is the leading West German maker with 80 per cent. of its domestic market for clutches.

GKN's subsidiary, Laycock Engineering, has a much smaller percentage of its home market.

Clutches and other motor components are supplied to all the major West German motor manufacturers by Fichtel and Sachs, the main operating subsidiary of Sachs which is based in Schweinfurt. This offshoot accounts for around 60 per cent. of Sachs' annual sales of DM2?bn. (£252m.).

Other subsidiaries make internal combustion engines (two-stroke and Wankel) (20 to 25 per cent. of total sales) and hubs (10 to 15 per cent.).

Sachs also makes shock absorbers, has an agricultural machinery business and owns West Germany's biggest bicycle manufacturer.

GKN's 1975 turnover was £1.2bn. of which 38 per cent. (£511m.) was contributed by its automotive components division.

A great deal of this actually came from West Germany where GKN has a controlling interest in Uni-Cardan, the largest transmission components company in the Common Market, with 16 operating subsidiaries and associates, some of them in France and Italy.

Overshadow

Uni-Cardan's 1975 turnover was £142m. representing 28 per cent. of total GKN component sales. Its trading profit that year was an estimated £13m. against the DM67m. (£17m.) Sachs achieved.

There is little doubt that the German automotive components operations will eventually overshadow those in the U.K. because the West German car industry is already the strongest in Europe and has better chances of growth than its U.K. counterpart.

But the whole of Western Europe's motor manufacturing business should benefit from demand from the Middle East, Asia and the Pacific areas, where vehicle ownership should rise sharply over the next decade.

GKN will be Europe's biggest motor components supplier, for there seems little chance that the other Continental manufacturers, which tend to be small, will consolidate their currently fragmented industry in the meantime.

In the U.K. itself completion of the Sachs deal could lead to a change in the already competitive clutch market. At present Automotive Products has an 80 per cent. market share, but development of GKN's European interests will give powerful support to Laycock in its battle to increase its 15 per cent. share.

No higher dividend seen for Denain

BY DAVID CURRY — PARIS, Dec. 1.

USINOR, France's leading steel concern, has confirmed that there will be no pay-out for 1976 despite expected increases in both output and turnover. Meanwhile Europe's second biggest manufacturer of steel tubes, Vallourec, says it intends to repeat last year's dividend despite a decline in sales.

Put together, these results mean that the holding company Denain Nord-Est Longwy, which holds 64 per cent. of the first and 60 per cent. of the second company, is unlikely in 1977 to be able to do better than pay the Frs.6.25 dividend it hopes to distribute for the 1976 year (1975 Frs.12.50).

Usinor, which has an 8m. tonnes a year capacity modern coastal plant at Dunkirk and a 47.5 per cent. stake in the 3.5m. tonnes a year capacity Solmer plant at Fos, expects its total output this year to be around 8.9m. tonnes, up by 1m. tonnes on the disastrous year of 1975 when the company ran up a Frs.1.2bn. loss. Turnover is expected to work out at between Frs.9.4bn. and Frs.9.8bn. against Frs.8bn. the previous year.

This improvement reflects the better market situation in the first half of the year when output was higher and prices had moved off their 1975 floor.

Since then the momentum has failed completely except for cold rolled plate and the company identifies the depressed state of capital goods orders and the general economic situation as the main problems. However, it also asserts that the Japanese attack on European markets and on markets normally served by European exporters has played an important role in holding back recovery.

For the second year in succession, the company will pay no dividend, and its only note of optimism is to comment that at least it has modern capacity waiting in the wings for when better times come along.

Vallourec suffered less than most in the 1975 depression, but in terms of sales the hard times caught up with it this year pushing turnover down from Frs.4.6bn. to an expected Frs.4.2bn. Production is likely to show a small advance from 1.26m. tonnes to 1.33m. tonnes.

The company notes that imports in 1976 have been 30 per cent. higher than in 1975. It also accuses Japan of aggressive competition.

However, Vallourec, which had a very good 1975 compared with most other steel concerns, earning Frs.161m. net, says it will be able to repeat the Frs.13 dividend.

The 1976 results of Denain Nord-Est Longwy reflect, of course, the 1975 results of its operating companies. Denain is expecting a net profit of some Frs.60.6m. against more than Frs.135m. for the previous year and is likely to propose a dividend halved to Frs.6.25.

EUROBONDS

Polysar offer doubled

BY TONY HAWKINS

REFLECTING considerable market support for the issue, the Polysar Eurobond offering has been doubled in size from $25m. to $50m. The bonds were priced at par yesterday with a coupon of 9¼ per cent. as indicated.

Polysar is a Canadian-based multinational engaged in the production of synthetic rubber, latex, thermoplastic resins and basic materials for the chemical industry, as well as operating in the plastic fabricating industry. Apart from Canada, Polysar has manufacturing operations in Belgium, France, Germany and the U.S. It borrowed $25m. in the Eurobond market last December for seven years on a 10 per cent. coupon.

Market sources said the Polysar issue had attracted about $165m. in investment funds, so that it was more than 6½ times subscribed. Lead manager was Wood Gundy.

Also increased in size was the floating rate note issue for the Long Term Credit Bank of Japan, which was raised in size to $30m. from $25m. originally announced. The lead managers, First Boston (Europe) had earlier announced a reduction in the coupon from 6½ per cent. minimum to 6¼ per cent. The effective rate will be ¼ per cent. above Libor (London Interbank Offered Rate). The five-year notes priced at par were traded in the secondary market yesterday at 99¼/99¾ which means that they were well received.

In the Deutschemark sector, the DM100m. Companhia Vale Do Rio Doce (CVRD) ten years Eurobonds were priced at 99¾ on a coupon of 8¼ per cent.

The Inter-American Development Bank is raising DM100m. in the Euromark sector with an issue of ten-year bonds (average life eight years) on a 7 per cent. coupon. The indicated offer price is 99¾ and Deutsche Bank is lead manager. A significant development is the enlargement of the management group which now includes five banks rather than the four major names normally associated with supranational issues. The management group comprises Deutsche Bank, Dresdner Bank, Commerzbank, West Deutsche Landesbank and Bayerische Vereinsbank, which is the new member.

A DM private placing announced yesterday is of DM50m. on a 7 per cent. coupon at par for the Oesterreichische Kontrollbank.

In the secondary market, Mexican and Quebec issues came under pressure yesterday in the dollar sector. Mexican issues fell on client selling reflecting nervousness about the political situation while Quebec issues were up to three-quarters of a point lower. But most dollar bonds were little changed in relatively quiet trading with prices possibly tending a shade easier on year-end professional tidying-up operations.

In contrast to the downtrend of Quebec issues in the American dollar sector, Canadian dollar issues tended one-quarter of a point higher on the day.

Latest Eurobond statistics from Morgan Guaranty Trust Company show that Eurobond issues totalled $1.3bn. during November. Morgan's figures put total Eurobond issues so far this year at $13.1bn., an increase of more than 72 per cent. on the comparable 1975 figure and more than 50 per cent. higher than the annual total last year.

So far this year, U.S. dollar issues have accounted for 63.3 per cent. of the total, DM issues 18.4 per cent. and Canadian dollar issues 10.6 per cent. In the comparable period last year, dollar issues accounted for 41¼ per cent., DM issues 28.6 per cent. and Canadian dollars just under 6 per cent.

BONDTRADE INDEX

	Wednesday	Tuesday
Medium	101.70	101.76
Long	93.44	93.41
Convertible	104.97	105.10

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1989	104½	105
Australia 8½pc 1991	99	100
Bowater 9½pc 1990	102½	103½
Canadian N. Rwy. 8¾pc '86	100	100½
Credit National 8½pc 1986	97	97½
Denmark 8½pc 1984	97½	98½
E.C.S. 9½pc 1988	102	102½
E.I.B. 8¾pc 1988	99½	100½
Enap 9½pc 1983	102½	103
Esso 8pc 1986 Nov.	103½	104
Eurofima 8¾pc 1986	101½	102½
Grangcs 9½pc 1985	101½	102½
I.S.E. Canada 9½pc 1986	104½	105
Massey Ferguson 9½pc '91	104½	105½
Michelin 8½pc 1988	101½	102
Midland Int. Fin. 8½pc 1986	97½	98
Modo 9pc 1986	97½	98½
Nat. Westminster 9pc 1986	99½	100½
Newfoundland 8½pc 1986	101	101½
Norpipe 8½pc 1988	101½	102½
Norsk Hydro 9pc 1991	100½	101½
Oslo 9pc 1988	101½	102
Ports Autonomes 9pc 1991	99½	99½
Prov. Quebec 9pc 1984	101½	102
Quebec Hydro 8½pc 1986	98	98½
Prov. Saskatch. 8½pc 1986	101	101½
Volvo 8½pc 1986	102½	103½
NOTES		
Australia 8½pc 1983	101½	102
Australia 8¾pc 1986	100½	101½
Dow Chemical 8pc 1986	101	101½
E.E.C. 8½pc 1982	100½	101
Kockums 8pc 1983	97½	98½
Michelin 8½pc 1983	100½	101
Montreal Urban 8½pc 1981	99½	100½
Nat. Coal Board 8½pc 1981	100	100½
New Bruns. Prov. 8¾pc '83	101½	102½
New Zealand 8½pc 1986	99½	100
Nippon Fudosan 8pc 1981	99½	100
S. of Scot. Elec. 8¾pc 1981	97½	98
FLOATING RATE NOTES		
BFCE 6¼pc min. 1983	99½	99½
O.K.B. 6¾pc min. 1982	99½	100½
Bk. Tokyo Hldg. 6¾pc min. 1981	101	101½
LTCB of Japan 6½pc min. 1981	99½	99½

D.MARK BONDS	Bid	Offer
Beecham 8pc 1983	[illegible]	101½
EIB 6½pc 1984	98½	99½
Giro Vienna 7½pc 1983	100½	101
New Zealand 7½pc 1988	103½	104
Pemex 8½pc 1983	98	[illegible]

Source: White Weld Securities, London

CONVERTIBLES	Bid
American Express 4¼pc '87	83
Ashland 5pc 1988	88½
Beatrice Foods 4½pc 1992	101
Beatrice Foods 4½pc 1992	120½
Borden 5pc 1992	101
Broadway Hale 4½pc 1987	74½
Canon Camera 7pc 1990	167
Carnation 4pc 1987	83
Chevron 5pc 1988	113
Dart 4¾pc 1987	83½
Eastman Kodak 4½pc 1988	104
Economic Labs 4½pc 1987	78½
Fed. Dept. Stores 4½pc '85	116
Firestone 5pc 1988	85
Ford 5pc 1988	84
Ford 6pc 1986	85
General Electric 4½pc 1987	83
Gillette 4½pc 1987	78
Gould 5pc 1987	108
Gulf and Western 5pc 1988	90
Harris 5pc 1992	84
Honeywell 6pc 1986	83½
ITT 4½pc 1987	76½
Komatsu 7½pc 1990	100
J. Ray McDermott 4¾pc '87	136
Mitsubishi Elec. 7½pc 1991	102½
Mitsui 7½pc 1990	101½
J. P. Morgan 4½pc 1987	107
Nabisco 5½pc 1988	93
Owens Illinois 4½pc 1987	112½
J. C. Penney 4½pc 1987	83½
Pioneer 6½pc 1989	277
Raymond 8pc 1982	102
Revlon 4½pc 1987	111½
Reynolds Metals 5pc 1988	84½
Sperry Rand 4¼pc 1987	94
Squibb 4½pc 1987	78
Texaco 4½pc 1988	78½
Toshiba 6½pc 1990	103½
Union Carbide 4½pc 1982	101½
Warner Lambert 4½pc 1987	79½
Warner Lambert 4½pc 1988	78
Xerox 5pc 1988	78½

Source: Kidder, Peabody Securities

SSIH sees more losses

BY JOHN WICKS — ZURICH, Dec. 1

THE SWISS watch group Societe Suisse pour l'Industrie Horlogère, which produced a consolidated loss of SwFrs.29.2m. in 1975, expects another considerable deficit this year. In a letter to shareholders, the board says that losses in 1976 will be at least as high as last year.

The SSIH group, best known for its "Omega" and "Tissot" watches, recorded a 14 per cent. fall in turnover during the first nine months of 1976. Last year, full-year sales had already declined to Sw.Frs.706m. (732m.). The labour force, which dropped by 24 per cent. in 1975 to 6,430, declined by a further 7.5 per cent. this year so far to below 6,000.

In the coming years, however, the group places confidence in the development of its operations in the field of electronic quartz watches. Large-scale orders are said to have been placed already with group companies for delivery next year and into 1978.

KSH sees upturn after loss of Fls.16m.

AMSTERDAM, Dec. 1.

ROYAL SCHOLTEN-HONIG (KSH), the Dutch starch and foodstuffs manufacturer, in a preliminary statement for the financial year 1975-76 reported losses totalling Fls.16.2m. after just managing to break even the year before.

KSH noted some improvement in business, however, in the second half of the year when losses were reduced to Fls.4.3m. from Fls.11.9m. in the first half of 1975-76. The Board commented that this improvement looked as if it would continue in the current financial year. But it also emphasised that it was too early to draw any conclusions fo rthe 1976-1977 annual results.

The company's provisional statement showed that gross sales totalled Fls.969.8m. in the year 1975-76 after reaching Fls.530.9m. in the second half of the year. The comparable figure for the previous year was Fls.881.2m.

Total operating costs rose to Fls.853.3m. in the year, with second half costs amounting to Fls.467.1m., compared with Fls.762.9m. in 1974-75. Depreciation went up to Fls.45.7m. (Fls.23.1m.) from Fls.40.1m. the year before.

KSH's operating result before interest was Fls.9.1m., of which the second half accounted for Fls.7.6m., compared with Fls.13.7m. in 1974-75. Interest paid amounted to Fls.28.8m. in 1975-76, leaving an after-interest loss of Fls.19.7m. (Fls.6.2m. in the second half), compared with a Fls.14m. loss the previous year. Taxes reduced this by Fls.3.5m. in the full year.

In 1974-75, KSH showed a profit—Fls.50,000—by adding as extraordinary income Fls.15.9m. from stock gains on a change in valuation methods.

GENERAL MINING & FINANCE CORPORATION-GROUP OF COMPANIES

(All Companies mentioned are incorporated in the Republic of South Africa)

DIVIDEND DECLARATIONS

NOTICE IS HEREBY GIVEN that dividends have been declared by the undermentioned companies, payable to shareholders registered at the close of business on the dates given below. The registers of members of the companies will be closed from 18th December 1976 to 31st December, 1976 both days inclusive.

No instructions involving a change of the office of payment will be accepted after the last day to register, 17th December 1976.

The dividends are declared in the currency of the Republic of South Africa. Payments from the United Kingdom office will be made in United Kingdom currency at the rate of exchange ruling on the undermentioned currency conversion dates or the first day thereafter on which a rate of exchange is obtainable.

Non-resident shareholders tax of 15% will be deducted from dividends payable to shareholders whose registered addresses are outside the Republic of South Africa.

Payment will be made by the transfer secretaries mentioned below.

The full conditions of payment may be inspected at or obtained from the head office of the companies or the offices of the respective transfer secretaries.

All companies mentioned are incorporated in the Republic of South Africa.

Dividends on shares included in share warrants to bearer of West Rand Consolidated Mines Limited, will be paid in terms of a notice to be published later by the London Secretaries of that company.

DIVIDENDS

Name of Company	Dividend No.	Per Share cents	Posting date	Currency Conversion Date	Description	Total Dividend for the year cents
Buffelsfontein Gold Mining Company Limited	39	40	3.2.77	24.1.77	Interim	—
Stilfontein Gold Mining Company Limited	45	11	3.2.77	24.1.77	Final	22
West Rand Consolidated Mines Limited —Ordinary Shares	91	5	3.2.77	24.1.77	Final	10
—Deferred Shares	52	282	3.2.77	24.1.77	Final	568
The Clydesdale (Tvl) Collieries Limited —Ordinary Stock	127	4.5	17.2.77	7.2.77	Interim	—
The Griqualand Exploration & Finance Company Ltd.	51	115	17.2.77	7.2.77	Final	130

By Order of the Board.
GENERAL MINING AND FINANCE CORPORATION LIMITED
London Secretaries
per: V. G. W. DAYNES

London Office:
Princes House,
[illegible]

Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, KENT, TN24 8EQ.

1st December, 1976.

هكذا من الاصل

BEATRICE FOODS

Biggest in the business

BY ELINOR GOODMAN

NAME THE world's largest food company. Unilever? Nestle? General Foods? Not according to Mr. William G. Mitchell, who claims his company, Beatrice Foods, holds the title. With sales of $4.6bn. this is not the only honour the company can lay claim to. It is one of a very small band of companies quoted on the New York Stock Exchange to have increased its profits for the last 96 quarters (thus including the period covered by the 1930s' recession) and to have been awarded the credit agencies' highest accolade—a triple A rating.

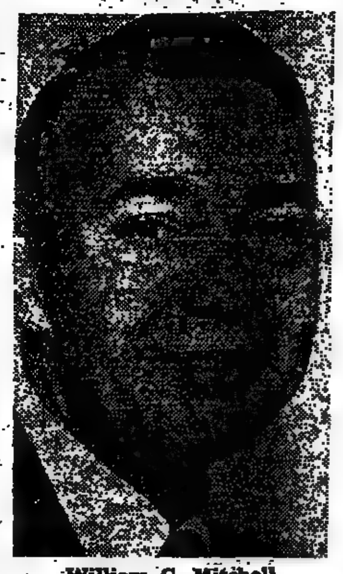
Sales growth in the last 25 years has averaged 13 per cent. a year and profits per share have grown at an annual rate of 7 per cent. Last year's profits of $150m. were larger than any other American food processor while its overseas subsidiaries have a similar unbroken record of profits growth since Beatrice first invested abroad in 1961. On top of all this, it has probably taken over more companies—around 400 in all—over the past 25 years than any other company in the Fortune 500.

So why is so little heard of this paragon of commercial virtue in Britain? Partly because Britain has come fairly low down its list of international priorities—"the right situations have not generally come up here"—and partly because even in the U.S., where it has been operating for almost 80 years, Beatrice is hardly a household name.

Rather than promoting the Beatrice name, the company has concentrated on building up the brand names of some of its 8,000 products, like Dannon yoghurt, LaChoy Chinese Foods and Eckrich meats in the food market (which accounts for three-quarters of the company's sales) and Samsonite luggage in the non-food area. Moreover, the company is also highly decentralised with 397 separate profit centres and the top management has tended to keep a low profile.

In July of this year a new team took over at the top as the two men who had built up the company—Mr. William G. Karnes and Mr. Don L. Grantham—stepped down.

Mr. Mitchell, who joined the company from law school and was groomed for the job by Mr. Karnes, took over as chairman and Mr. Wallace Rasmussen, who had started in the business hauling blocks of ice in a Beatrice warehouse, became chief executive and president.



William G. Mitchell

At 44, Mr. Mitchell must be aware of the problems involved in stepping into such very successful shoes—after all people have been saying for years that Beatrice's growth must slow down sometime.

But Mr. Mitchell, who was in London this week for the Institutional Investors Conference at the Savoy and who has worked mostly on mergers and administrative problems in the past, takes the challenge quietly enough.

Any change will be "evolutionary rather than revolutionary," he says. The company still has "enormous" potential for internal growth and is, in his opinion, in the fortunate position of having "14 legs to stand on" unlike some of single product multi-nationals. If one of the 14 divisions does less well, "we can still stand up on the 13 other ones."

Under Mr. Mitchell's chairmanship, the company might increase its stake in England. Currently it has a chemical business here and small food company selling gourmet foods. It is now talking to a non-food company (with sales of about £12.5m. and a pre-tax return of around 25 per cent. on sales) about the possibility of buying a 75 per cent. holding.

It is also talking informally to about 20 other companies and was one of the many companies which cast an eye over the Oriel Foods business which RCA—an American company which, unlike Beatrice, diversified into food rather than starting in food and then going outside into other areas—was then trying to sell.

Though it is quite likely that Beatrice will announce a new British acquisition within the next few months, there is no apparent urgency behind its bid to strengthen its position in this country at a time when the dollar is buying more than ever before. (Much of the money for any British acquisition would, in any case, be raised in London.) Beatrice has a considerable hold on various European food markets—it claims to be the largest producer of ice cream on the Continent—but it has not rushed into Britain in the past and sees no reason for doing so now. What it has always been looking for, and what it is looking for now, is small, well managed companies which would benefit from the backing of a company like Beatrice.

The usual Beatrice philosophy with aquisitions is to encourage the existing management to stay with a 25 per cent. shareholding, while its normal approach to overseas markets—it manufactures in 27 countries—is gradually to build up a foothold by buying a number of relatively small companies.

Mr. Mitchell says he would like to increase the company's very small stake in Britain. He would be buying for the "long term" and does not therefore appear overly worried about what the Chancellor will, or will not do, next month. "The British people have displayed an ability in the past when their backs are to the wall to come fighting back."

Beatrice itself seems to have been in the fortunate position of rarely having had its back to the wall, though it has stayed with some markets, like dairy products, in which other major companies have preferred to reduce their investment.

Fuji Photo expecting stable growth

BY PAULINE CLARK

AFTER AN exceptional spurt in profits in the year ended last October, Fuji Photo Film Company, the leading Japanese photographic film manufacturer, is expecting to settle down to a more stable growth pattern in the current year. Profits are forecast to rise by some 16 per cent. over 1976 levels to about Y23½bn. pre-tax on a 15 per cent. increase in sales to Y260bn.—a major contribution being predicted from the company's ultra-sensitive colour film development. This was introduced to the Japanese market for the first time about a month ago.

Fuji company sources have indicated that for the year just ended, net profits would show a 65 per cent. rise to Y10bn. on an increase in gross sales of 18 per cent. to Y226.7bn. where the major growth factor in the year was from exports of photo film and printing papers. The ratio of exports to gross sales was understood to have increased to 34 per cent. from 21 per cent. previously.

The overriding reason for the 1976 growth rate, however, was the achievement of 100 per cent. plant utilisation during the year, compared with an average of only around 80 per cent.

During 1976, the company is also said to have repaid debts of Y13.7bn. to commercial banks, so reducing the interest charge substantially. Meanwhile, investment analysts do not envisage any significant rise in capital expenditure in the current year because of the continuing suitability of existing production lines for new products.

Fuji has commanded considerable interest within the chemical sector on the stock markets recently where the share price has already largely discounted the ASA-400 ultra-sensitive film innovation in record rises to nearly Y700 after around Y530 previously. The dividend is expected to be unchanged at Y7.5 a share for 1976 but the company is believed to be considering either an increased payout or a scrip issue at the end of the current first half.

Although the export prospects, particularly to the U.S., for the ASA-400 film are being viewed with confidence, the company is still showing considerable caution over the marketing programme for its other new development in the instant photographic business. The market for instant cameras in Japan itself is still reported to be limited after a slow beginning in 1975 when instant camera film sales were put at just Y8bn. against Y65bn. in the conventional market. Kodak is expected to make an entrance in Japan with a new instant camera in late 1977 and Fuji is expected to wait and see the results before introducing its own technology in the field.

Illovo interim supplies more proof of falling sugar profits

BY RICHARD ROLFE JOHANNESBURG, Dec. 1.

FURTHER proof of declining profits in the sugar industry has come from Illovo Sugar Estates, in which Tate and Lyle holds 49 per cent. of the shares, and which accounts for about 9 per cent. of South African sugar output.

Its profits for the period to October 31 which are estimated because, following the normal procedure of the local industry, Illovo reckons on its full year profits and divides by half, fell from R1.8m. to R1.5m. With a lower overall tax bill, earnings per share were a point down at 18.5c and the interim dividend has been set at 6c, up 1c on last time.

Illovo estimates sugar production for the current season is set to rise from the 174,000 tons achieved the previous year to 180,000. But lower yields are indicated, as the tonnage harvested is expected to rise proportionately more, from [illegible]38,000 to 504,000 tons. The industry's average sugar price, however, is expected to be slightly down at R186.78 against R189.68 per ton. This reflects lower proceeds from exports, but some offset from the big rise in the domestic price, which went up 50 per cent. to R190 per ton three weeks ago.

The board ascribes the latest fall in profits to the "decrease in the group's share of industrial production and the fact that the sugar industry is not being compensated in full for its increased production costs."

However, looking a season ahead, there will probably be some benefit from the fact that the present expansion programme is almost complete, with capital commitments at the half year amounting to R1.6m.

There is no further news of the refinery feasibility study announced by Mr. J. F. P. Tate, Illovo's chairman, at the August AGM. Nor is there any information on the group's joint property development on the Natal coast with the troubled Glen Anil group.

However, the increased interim in the face of lower earnings is an encouraging sign, and in the absence of any disclaimer about evening out the disparity between payments, suggests a comparable increase in last year's 11c final.

Illovo shares at 120c therefore stand on a prospective yield of 14.2 per cent. if the dividend totals 17c.

Vienna promotion measures

BY PAUL LENDVAI VIENNA, Dec. 1.

VIENNA'S chamber of trade and the municipal authority have joined forces to attract new industrial investment to promote the setting up of new trading enterprises and to rejuvenate the capitol's stock of industrial properties. The new campaign involves the provision of quality sites with up to 90 per cent. of lease cost covered to municipal cash grants.

Announcing these details Herr Karl Dietrich, the President of the Vienna Chamber, revealed that the factory premises could become in 25 years the property of the developers with only 60 per cent. of the original price to be paid. Within ten days of the beginning of the campaign, 31 companies expressed interest.

Each quality site is about 2,000 square metres in size. Wibag, the Vienna Municipal Industrial Siting Corporation, wholly owned by the City, will transfer to the municipality about 50,000 square metres of industrial sites, which in tern as from 1977 will be put at the disposal of investors setting up new projects for redeveloping old premises.

The promotion measures are expected to cost the municipality over Sch.30m. (just over £1m.). Announcing this, City Councillor Herr Hans Mayr added that the combined action assisting both industrial ventures and small traders were aimed at strengthening Vienna's economic base which still accounts for over one quarter of the Austrian gross national product. Faced with repercussions from the westward shift of resources and population, the Vienna municipality under its outward looking mayor, Leopold Gratz, and the Chamber of Commerce headed by a new dynamci president, Herr Karl Dietrich has now made special efforts to attract new investors. Wibag, since 1969, has helped to set up 130 enterprises providing 10,600 jobs and involving investments to the tune of Sch.4.2bn. About 60 per cent. of the investors were Austrians.

The new system involves the partial replacement of interest relief grants by investment premiums. Three forms of promotion for new ventures were for the redevelopment of old companies come into force as of April, 1977. (a) a 5 per cent. premium for investments in general; (b) in certain cases the premium can rise up to 10 per cent. for new ventures; and (c) projects serving better supply of the population could get between 3 to 10 per cent. premiums. Furthermore, shopkeepers, younger than 40 and moving to an undersupplied district of the capital, may even receive premiums of up to 5 per cent. of the investment cost. Premiums are granted to enterprises with an annual turnover of under Sch.8m. and with a staff not exceeding 40. Herr Dietrich reckons on a fall of Vienna's population from 1.6m. at present to 1.4m. by 1990. Thus, the main task is the redevelopment rather than the expansion of the city, which should go hand-in-hand with rehabilitation of old factories and development of new industrial estates.

Arab insurance plans

BY ERIC SHORT

CLOSER co-operation between the Arab insurance and reinsurance companies with a view to eventual integration of activities was agreed at the Arab Reinsurance Seminar held recently in Baghdad. The speakers emphasised that the large financial resources existing in the Arab world combined with the currency stability of most Arab countries provided the basic factor for a firm reinsurance market.

But it was appreciated that there were other principal prerequisites for such a market, particularly developing reinsurance expertise, without which financial resources alone were not sufficient. Therefore it was resolved to continue co-operation with the reinsurance markets of the developed countries in order to get the benefit of their underwriting experience and their capacities.

The Seminar discussed the development of reinsurance pools to facilitate the growth of reinsurance. In particular it recommended the formation of two main pools—marine and non-marine—but with the existing aviation and engineering pools to remain independent. This should enable Arab reinsurers to accept higher risks and liabilities.

Agreement was also reached on the establishment of two funds financed by insurance and reinsurance companies. The first would investigate finance loss prevention measures and the Seminar considered that this was a responsibility of insurers.

The second fund would finance insurance research.

VONTOBEL EUROBOND INDICES
14.5.76=100%

PRICE INDEX	30.11.76	23.11.76	AVERAGE YIELD	30.11.76	23.11.76
DM Bonds	102.76	102.93	DM Bonds	7.629	7.601
HFL-Bonds & Notes	100.84	98.90	HFL-Bonds & Notes	8.511	8.949
U.S. $ Strt. Bonds	101.33	101.04	U.S. $ Strt. Bonds	8.622	8.670

THE JOBS COLUMN

Pioneers for Bertelsmann · Indonesia · Manpower

BY MICHAEL DIXON

HERE is a chance for three people to be in at the beginning of an ambitious new venture in Britain by the Bertelsmann group of West Germany, which has an £800m. turnover in the printing and publishing business.

Although an estimated 800,000 people already belong to book clubs operating here, Bertelsmann feels that the United Kingdom market is far from saturated. It is therefore planning to extend to Britain its own book club activities which are claimed to serve about 9m. readers in the other countries of western Europe.

The managing director of the U.K. venture is to be Dr. Manfred Herriger, and he needs three recruits—two of senior, and one of middle rank—to join him by March 1 with the aim of getting operations going by the end of 1977. Where the jobs will be based is not yet determined, but the probability is somewhere a bit to the north-west of London.

The first senior job is the vital one of general sales manager.

In Germany one of Bertelsmann's main outlets for its discount-priced books is the chain of high street shops which it owns in many towns. If, as seems probable, this type of outlet is proscribed in Britain, the new venture's success will depend heavily on other methods of marketing, including mail order and direct methods such as door-to-door canvassing and "Tupperware-style" sales parties.

Because of this, a comprehensive knowledge of the techniques of selling consumer-type goods is specified as essential in candidates for the general sales manager's job, even though the recruit will be given a grounding in the group's existing methods.

"So the most likely career background is probably a rapid climb up the sales ladder by way of several consumer-contact companies, for example, in the encyclopaedia field, or life assurance," says Michael Egan of PA Management Consultants, who is handling the initial selection for all three of the Bertelsmann posts.

"Obviously people with experience in mail-order would have an advantage, and a stint in a marketing department and German language skills would be all to the good, although they aren't essential.

"But we're not only wanting wide experience. We need high performance, too: sales specialists who by the age of 35, give or take 10 per cent, have already got to management committee rank in at least a medium-sized company. One of the responsibilities will be to build up a large field-sales force, and make it effective."

The salary for the general sales manager is quoted by Mr. Egan as at least £12,000, plus bonus and other perks including a car.

Finance etc.

THE OTHER senior post with Bertelsmann will have the title of financial controller. But its responsibilities will spread—with particular importance in the early stages of the British operation—to the company secretary's role, and also to purchasing, and personnel issues.

"German-speaking, while still not absolutely necessary, would be of even greater help here because close contact will be required with the parent company in setting up systems for financial and management accounting and so on in line with the practices and computers of the rest of the group," Mr. Egan says.

"In general, there's a need for high-level knowledge of financial management, not to mention other things such as this country's employee legislation. But the good old strategic thinking ability will have to be coupled with a willingness to roll the sleeves up and get down to solving some of the more mundane administrative problems."

An accountancy qualification, preferably chartered, is a must for the financial controller's job. The ideal career for candidates would include financial management not only in the headquarters of a large company with international horizons, but also in a hard-nosed commercial operation of the mail-order ilk. Even so, the preference is for people nearer to the beginning than the end of their 30s.

The salary quoted for this post is around £11,000, again with bonus and car among the benefits.

In support

THE THIRD opening in the new venture is for a management accountant who at the outset will support the incoming financial controller in setting up the accounting systems and administrative arrangements.

The specification is for a qualified accountant aged 25 or thereabouts who has gained experience of budgetary control and suchlike in a company of the consumer-contact kind. The salary will be about £6,000.

Readers interested in one of the Bertelsmann jobs should get in touch with Mr. Egan at P.A. Management Consultants, Hyde Park House, 60a Knightsbridge, London SW1X 7LE—telephone 01-235 6060.

Alltrak

P. T. ALLTRAK, which deals in tractors, earth-moving equipment and the like in Indonesia, came into sad prominence last year. Because of a combination of poor financial control and a recession in the logging industry in Indonesia, it was a major contributor to the troubles of the Hong Kong based group Hutchison International, whose need for an injection of $HK150m. (now the equivalent of about £19.1m.) led last September to the Hongkong and Shanghai Bank's taking 30 per cent. of the equity, and a considerable shake-up of the Hutchison group's management.

As a result the group has forecast earnings this year of about 25c. per share when dealing and capital profits are included, and has lately girded its loins for what could become the Crown Colony's biggest takeover battle by entering competition with the combined interests of Hong Kong Land and Jardine Matheson in seeking a merger with the Wheelock Marden Group.

Moreover, the Hutchison-controlled Alltrak concern — which now has its head office in Singapore—is said to have been turned round and to be heading for a good future. And the next step on the way will be the appointment of a manager for its spare parts and accessories business in the fields of automotive and heavy machinery.

Michael Silverman, head of Merton Associates (Consultants), who is dealing with this job tells me that it is based in the Indonesia headquarters in Jakarta, and carries responsibility to general marketing manager Brian Cashman for the control, sales and distribution of the spare parts and accessories, which involve imports of about £10m. a year. In addition to setting up a stock-control system, the newcomer will lead a 10-strong sales force, and will personally have some high-level selling to do, mainly to Government departments and multinational concerns.

Among the manufacturers whose products are handled by Alltrak in South-East Asia are Fiat-Allis, Koehring, Kenworth Paccar, Esco, and British Wire Ropes.

Mr. Silverman says that the ideal candidate would be a qualified engineer with developed marketing skills, whose experience includes at least three years of controlling and managing the sales of goods of a comparable kind both directly and through distributors. "We're looking on this role as vital to the company's future growth," he adds, "and the rewards package will be in line with that."

The tax-free salary will be at the $U.S.20,000 level. The perks will include a chauffeur-driven car, medical cover and fare-paid leave for up to six weeks a year in the U.K., and if the successful candidate is married and has children, a company house and school fees as well.

Inquiries to Michael Silverman at Regina House, 1-5 Queen Street, London EC4N 1FP—tel. 01-248 7421.

Brighton base

A COUPLE of senior people with skills in the field of manpower economics are wanted by the Institute of Manpower Studies, which has to finance itself by fees and grants from industry, public services, and local and central Government. The two jobs are connected with the IMS's most recently captured grant, from the Department of Employment and the Manpower Services Commission, which will provide among other things for the Institute to produce for the joint sponsors a regular independent commentary on issues with a bearing on the country's manpower policy.

This commentary will be the particular concern of the newcomers, who in producing it will draw on the institute's contacts among employers, unions and academics as well as other members of the 30 IMS staff. The main base, by the way, is on the late Sir Basil Spence's tasteful (but, to my mind, somewhat chilling) Sussex University campus three or four miles on the Lewes side of Brighton, although the recruits could work from offices at the London School of Economics.

Candidates must be equipped with understanding of the issues affecting employment and of the ways in which Government policy is formed, and have experience of manpower analysis. The salary range is likely to be £6,000-£8,000, although it could be higher for someone exceptionally qualified.

Responsibility, I gather, will be to technical director Dr. Clive Purkiss. But written applications should be sent to Sir James Dunnett, the IMS executive vice-chairman (Mantell Building, University of Sussex, Falmer, Brighton BN1 9RF).

ACCOUNTANCY APPOINTMENTS

GENERAL APPOINTMENTS

Financial Management

in Middle East Oil

A rapidly expanding oil company in the Gulf area seeks professionally qualified executives for its Finance Department. They must be fluent in Arabic and able to show substantial and relevant functional experience, preferably in the oil and petrochemical industries.

Financial Controller

Reporting to the Finance Director, he will be responsible for subsidiary and Group financial control and management accounting and must be capable of developing computer-aided reporting systems.

Financial Analysis Supervisor

Responsible to above for procedures for operational accounting, investment criteria, vetting project proposals, tracking performances and related matters.

Cash & Credit Supervisor

Reporting to the Treasurer, he will recommend/administer investment of funds, credit investigation/collection policies/procedures, cash budgets/forecasts and monitor currency cross-rates.

Assistant Cash Management Supervisor

He will assist the above with the administration of investments, cash budgets, liaison with external advisers, and provide general functional support.

Appointments may be on term contract or pensionable and will carry generous salaries and benefits including family accommodation.

Apply, quoting ref: FT, to: Bernard Beboulene, Booz, Allen & Hamilton International, 1/5 New Bond Street, London W1Y 0DB. Tel: 01-499 8971.

Booz·Allen & Hamilton
Management Consultants

Treasury Assistant

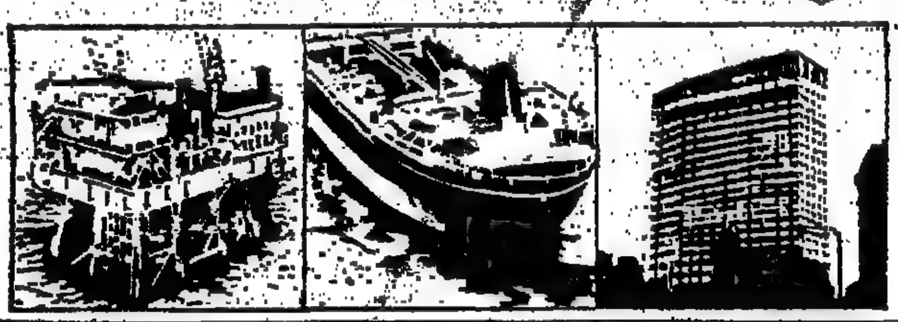
Oil Company — **London**

Phillips Petroleum is an international oil company with a major investment in North Sea Oil. This investment calls for sophisticated financial management by our professional Treasury team.

An opportunity has now arisen for a person to join this team and the duties would include - economic analysis, contract analysis, monitoring exchange control regulations, and varied financial investigations. Future exposure could include areas such as economic planning, budgeting and foreign exchange.

Applicants, aged 25-30, should have experience in either the Treasury or related function of an international company or bank and preferably hold either a degree or professional qualification. The ability to speak French would be an advantage.

Salary will be dependent on qualifications and experience but will be highly competitive. If you are seeking an expanding and absorbing international financial environment then write or telephone for an application form to:- Mr. T. Sidney, Recruitment Officer, Phillips Petroleum Company Europe-Africa, Portland House, Stag Place, London SW1E 5DA. Tel: 01-828 9766 Ext. 455.



Financial Director

for an exciting new group of companies being put together by a professional entrepreneur with a proven track record in oil and chemical contracting and plant manufacture. His or her target is profits of £500,000 within three years and £1 million in five.

This post offers a general management challenge to qualified accountants in their mid-30's who like tight-run, shirt sleeve operations. They must be prepared to work long hours and travel extensively, and a knowledge of estimating, contract negotiation, project control and cash management in petro-chemical contracting would be ideal. Contracting experience is essential.

The salary indicator is £9-10,000 plus a car but a particularly well suited person might be offered more as a profit share. Other benefits are good—the group is part of a public company

Please write, in complete confidence, quoting Ref. 505/FT stating experience, present earnings, age and qualifications to:—

CB-Linnell Limited
8 Oxford Street, Nottingham
SELECTION CONSULTANTS
NOTTINGHAM : LONDON

Assistant Head

Inspection Division

for the Trustee Savings Bank's Central Board at their London headquarters. He/she will play a major part in evolving, establishing and co-ordinating appropriate systems of inspection throughout the organisation to meet the much expanded range of activities and structure developed in recent years. There are clear prospects of advancement within a few years.

Candidates, aged 35 to 45, must be qualified accountants with experience of inspection, internal audit or related function, preferably in the banking or insurance fields.

Salary in the scale £7,500 to £8,000 plus London weighting and mortgage assistance. Non-contributory pension.

Please send relevant details – in confidence – to P. Hook ref. B.26338.

MSL *World wide* ...
Management Selection Limited
17 Stratton Street London W1X 6DB

Treasurer

London — **c. £10,000+car**

Important and old-established City financial institution with an impressive record of sustained growth is to appoint a Treasurer to respond directly to its Group Finance Director. Starting salary negotiable around £10,000 a year. Benefits include a company car. Location City of London.

Candidates, probably aged 50-60, will be experienced international bankers or senior executives in the Treasury Departments of multinational groups. This new appointment offers a considerable degree of independence and the opportunity to create an important new function in the Group.

Candidates should telephone V. Summers or W. T. Agar at John Courtis and Partners Ltd., Executive Selection Consultants, 78 Wigmore Street, London W1H 9DQ, telephone 01-486 7442, quoting reference 293/FT.

JC&P

STORES AND FOOD RETAILING ANALYST

A medium sized Stockbroking firm wishes to recruit an experienced analyst to work within a small team specialising in, amongst other areas, Stores and Food Retailing. The successful applicant will have had at least five years analytical experience with, preferably, three years covering Stores and Food Retailing. He should be accustomed to conducting interviews with top level management, should be able to express himself concisely on paper and be capable of generating original ideas.

He can be assured of a competitive salary, bonus and non-contributory pension. The prospects for the right person are good.

Please write with full particulars, in strict confidence to:

Michael Anderson,
Galloway & Pearson,
Warnford Court,
Throgmorton Street,
London EC2N 2AU.

INTERNATIONAL TRADER

Manchester based International Industrial Company, currently extending its trading activities wish to appoint an Assistant to the Main Buyer.

Applicants must be experienced International Traders, used to dealing in most areas of Industrial Trades and Commodities and capable of negotiating Buying and Selling Contracts.

Salary commensurate with experience, excellent opportunity and future prospects. Write giving details in the strictest confidence to:

Write Box A5754, Financial Times, 10 Cannon Street, EC4P 4BY.

GENERAL APPOINTMENTS ARE CONTINUED TODAY ON THE FOLLOWING PAGE

ACCOUNTANCY APPOINTMENTS

Consolidated Gold Fields Limited

Accountant

City — **to £5,750+bonus**

We are the parent company of an international mining, finance and industrial Group with widespread interests in the U.K. and overseas.

Our Accountant's Department is seeking a qualified accountant aged about 30 whose duties will be mainly concerned with the consolidation of group annual and half-yearly accounts and quarterly profit forecasts. Other work will include accounting for inflation and information for management. Applicants must have sound practical experience of consolidations and be able to work with a minimum of supervision. It is possible that the job may eventually involve short overseas assignments.

In addition to salary, which will depend upon experience, there is a substantial discretionary bonus normally paid twice a year. Hours of work are from 10.00 a.m. to 5 30 p.m. and fringe benefits include free lunches and a non-contributory pension scheme.

Please write giving age, qualifications and a brief resumé of experience to:

*Mr. J. A. Scholes,
PERSONNEL OFFICER,
(Recruitment and Training),
Consolidated Gold Fields Limited,
49 MOORGATE,
LONDON, EC2R 6BQ.*

Exchange Control Officer

City — **c£9,000**

Our Client is an active International bank with a well established London branch.

A mature senior Banker, ideally aged mid 40's to early 50's with a broadly-based international banking background, is required now to succeed the present encumbent who is shortly to retire.

This is regarded as an important and responsible position which calls for experience of administration and foreign exchange accounting in addition to appropriate exchange control knowledge.

For more details in absolute confidence contact Norman Philpot MIPM, on 01-405 3499

Lloyd Executive
Brownlow House, 50-51 High Holborn, London WC1V 6ER. Tel: 01-405 3499

Senior Board Director
Major S.E. Asia Merchant Bank
Investment Banking

Hong Kong — **c £30,000 (Tax Free)**

Our Client: The shareholders of one of Europe's leading banks, coupled with S.E. Asia's most prominent Trading & Investment Group. Both have spent many years developing their International interests and are now perfectly poised to ensure their already well established, completely autonomous and fully independent Merchant Bank climbs steadily to play a lead role in S.E. Asia.

Your Role: As deputy to the Chief Executive, you will assume control and command of the Bank's Investment Department, in part embracing Corporate Finance. The prime objective being to concentrate on: Managing, Underwriting and Placing International and Eurocurrency Loans • Private and Public Issues • Develop Portfolio Management • Play a key role in Mergers and Acquisitions and Joint Venture development.

Our Ideal Candidate: An accomplished International Banker • well respected in the London Market • with a sound appreciation of the S.E. Asian Investment scene • aged 35-50 years • Preferably with a Professional Qualification or Business School degree • Fluent in German... with a track-record in profitability developing an issuing bank's investment and activities.

Your Remuneration: High basic salary (circa HK$¼m) + Profit Sharing + Accommodation allowance + School Fees + Free travel + 5 weeks leave p.a. + Service Agreement.

Act Now: *(Complete Confidentiality Assured!)* **Contact the Bank's Advisor: Michael A. Silverman (Chairman) or 01-248 7421 or 01-2481344 (24 Ansaphone).**

MERTON ASSOCIATES (CONSULTANTS) LIMITED
Regina House, 1-5 Queen Street, London, EC4N 1FP
Executive Search and Management Consultants

International Banking Manager
Prominent Merchant Bank

City — **£10-£12,000 + excellent bens**

A rare career opening to become No. 1 to the Directors, responsible for Public Issues and Private Placements, Syndicated Eurocurrency Loans, and new business

The Bank: One of the most well established and highly respected banks with an untarnished and treasured reputation. Today, they are enjoying a period of unparalleled growth. Board Policy is to broaden their issuing activity and International Services; they are particularly active in 3rd World countries and the Middle East.

Your Job: To take control of the day-to-day management and administration of the International Banking Department • Servicing and negotiating new business • Preparing and formalising offers • Underwriting and syndicating Loans of up to $50M • Arranging Eurocurrency Public Issues and Private Placements • Establishing yourself as a key figure with the opportunity to develop the Bank's International clientele.

Our Specification: A knowledgeable International Banker, Solicitor or Accountant, with an in-depth exposure to the International Loans Markets, aged 27-35 years, who has a strong desire to manage his/her own destiny.

Ideally you'll have worked in an Accepting or Issuing House, Merchant or Multi-national bank, for at least 6 years. Languages required (French, German or Spanish).

Remuneration Package: Negotiable Salary + Subsidised Mortgage + other valuable tax free benefits + 4 weeks hols.

Act Now! Telephone or write to the Company's adviser for an immediate meeting: Michael A. Silverman M.I.P.M., 01-2487421 or 01-2481344 (24 hour Ansaphone).

MERTON ASSOCIATES (CONSULTANTS) LIMITED
Regina House, 1-5 Queen Street, London EC4N 1FP
Executive Search and Management Consultants

U.S. firm, specialising in financial corporations, plans expansion of its European bank research team. Present thrust is investment and credit analysis on major continental banks and banking systems.

Requirement is for two people working in London:

First, an **ECONOMIST**

with banking experience capable of writing a regular commentary on monetary and banking developments outside the U.S.A. Candidates should be fluent in one major language other than English and have a financial/analytical background.

Secondly, a **EUROPEAN FINANCIAL ANALYST**

experienced in management interviewing and report writing would take on the preparation of individual studies of national banking systems and their main components. Fluent German and French would be an important advantage.

Initial salaries for these posts are likely to be in the £8,000 to £10,000 range and opportunity exists for promotion within a short period.

Employees of the advertiser have been informed.

Write Box A5765. Financial Times, 10 Cannon Street, EC4P 4BY

Director

North American Division

International Insurance Brokers

This is a board level opportunity for an experienced and dynamic executive to preside over the reorganisation and future development of the North American non-marine operations of a leading City insurance broking company.

You will be taking over an existing portfolio containing both facultative and treaty business. In order to meet the considerable challenge of this appointment, you will need to be able to demonstrate a record of productive success in US and Canadian business.

A five figure salary and other benefits, commensurate with the importance of the appointment, will be offered to the man or woman selected.

Please write giving concise details of your age, qualifications and career history, stating the names of any organisations to whom your letter may not be forwarded. My client undertakes to treat all enquiries in strict confidence.

Brian M. Doyle

GENERAL APPOINTMENTS

COMPANY NOTICES

TRANSVAAL CONSOLIDATED LAND AND EXPLORATION COMPANY LIMITED
(Incorporated in the Republic of South Africa)

NOTICE OF MEETING

...

2. To elect directors in accordance with the provisions of the company's articles of association.
3. To place the unissued shares under the control of the directors.

The Register of Members of the company will be closed from 14th to 20th January, 1977, both days inclusive.

A member entitled to attend and vote at a meeting may appoint one or more proxies to attend and speak and, on a poll, vote in his stead. A proxy need not be a member of the company.

...

By order of the Board,
RAND MINES LIMITED,
Secretaries,
per M. B. Dunderdale.

Office of the London Secretaries:
Charter Consolidated Limited,
40, Holborn Viaduct,
EC1P 1AJ.
Office of the United Kingdom registrar's transfer agents:
Charter Consolidated Limited,
P.O. Box 102,
Charter House, Park Street,
Ashford, Kent,
TN24 8EQ.

26th November, 1976.

CANADIAN NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE
NOTICE TO SHIPPERS
TERMINAL SERVICE CHARGES APPLICABLE IN CANADA

The member lines of the above conference would refer to their Press announcements in August and September 1976 ...

NOTICE TO SHAREHOLDERS OF AUSTRALIAN MINING AND SMELTING LIMITED

OFFER DECLARED UNCONDITIONAL ...

LEGAL NOTICES

No. [illegible] of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of WEDDRIN LIMITED and in the Matter of The Companies Act, 1948.

...

No. [illegible] of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of A-Z ANGLO EUROPEAN PERSONNEL SERVICES LIMITED and in the Matter of The Companies Act, 1948.

...

PUBLIC NOTICES

...

Christmas Gifts

...

ENTERTAINMENT GUIDE—Cont.

THEATRE UPSTAIRS. 730 2554. Evs. 7.30. JOINT STOCK in LIGHT SHINING IN BUCKINGHAMSHIRE by Caryl Churchill. "Beautifully directed and superbly ..."

ODEON, Leicester Square. 930 6111. RETURN OF A MAN CALLED HORSE (AA) in 70mm. Sep. progs. Dly. 2.00, 5.30, 8.25. Late show Fri. & Sat. 11.15 ...

...

ART GALLERIES

...

BOOKS

One-sided dialogue

BY C. P. SNOW

The Dove in Harness by Philip Mason. Jonathan Cape. £3.95. 159 pages.

If the word classic means anything in contemporary literature, Philip Mason's books on the British in India, *The Founders* and *The Guardians*, and the complementary military history, *A Matter of Honour*, deserve the term, and this in his own lifetime. They are written not only with intimate knowledge, but also with responsible and deep feeling. Only a man of a character higher than most of us can hope for could have achieved them. In addition, they are written with literary talent and a high degree of literary sensitivity. Incidentally, that latter gift makes the title of his present work more puzzling. How he could have looked at that without blenching is something of a mystery.

Never mind. It is a very good book, and for me profoundly moving. That isn't a casual comment, since, as I shall have to explain shortly, on his particular topic I am not the first person to be in immediate sympathy.

The Dove in Harness is a justification of Christianity for our present world. Mason himself says that it is a book, "for the puzzled, not the learned . . . [it] does not attempt to find an answer for all the difficulties such people may feel. It does try to suggest an approach to Christianity as a practical way of life."

In fact, he tries to do more than this, and has a good deal to say about the doctrine and metaphysics of the religion. To begin, he does, with his gentle but firm authority, lead us through some of the difficulties and contradictions with which Christians (or other religious believers) are confronted when having to act in their own lives about such problems as property, the use of force, the expression of the self in politics and art, sex and the family, the continual need for compromise, if one is to get anything done.

Let me say at once that I found this guidance—and some, though not all, of the reasons behind it—morally satisfying. As usual, in Mason's writing, one feels in company more elevated than oneself. I haven't the slightest doubt that if human beings, or even a proportion of them, acted with anything like this wisdom and understanding, our society would be a healthier place. It would be a positive help if the book were read in schools.

I wish I could say that I found Mason's intellectual guidance just as satisfying. It is interesting, for he is a highly intelligent man and his mind is not only clever, but honest. But I mustn't pretend. About his doctrine and religious philosophy I remain where I was when I came in. Here I have to intrude myself a little, as I don't like doing in this column: but if I don't, it will make my attitude incomprehensible. Sean O'Faolain once described me in print as an upright pagan. I didn't think that was entirely accurate, since pagans, however upright, knew little about Christianity or any other organised theology, and cared less. That isn't true in my case.

I would prefer the description of something like a respectful (or, in the old sense, pious) unbeliever. I have lived much too long not to have met people for whom I have the most complete respect, not just as good men but as sheer intelligences, who are *intellectually* happy in their faith. One such was the late Bishop of Durham, Ian Ramsey, who happened to be a former pupil of mine. It would be difficult to be cleverer than Ian Ramsey. But much as I loved him I couldn't share his belief.

So, though on ethical matters I can follow Mason almost totally, on the fundamentals of religion I can't. It would be comfortable to be able to, but one can't fake faith. It would be very wrong to do so.

A good deal of Mason's theological exposition is conducted in the form of an argument with a fictional character whom he calls Nokes. Nokes is a reasonably decent man, and he is not so much an unbeliever as a doubter. He is also a bit of an ass. He is remarkably unsophisticated about history, philosophy, theological controversy, or anything else. He is about as good as a foil to Mason as a prep school opening pair batting against Roberts and Holding.

For instance, Mason puts a good deal of weight on the teleological argument for the existence of the Deity, that is the argument from purpose or design. Nokes really might have known that this has been tossed backwards and forwards for hundreds of years. Paley's *Evidences* was a required book for entry into Cambridge until the latter part of the 19th century. But the argument simply isn't as convincing as all that. If Mason is to debate with someone of his own calibre, he ought to meet head on with Jacques Monod's *Chance and Necessity*.

That is, of course, a metaphysical controversy and could be engaged in by believers in any religion, or in none. But the specifically Christian content of Mason's thinking suggests other kinds of debate. These have exercised some of the best minds in the West for generations. I don't mean the problems evoked by Mason's interpretation of the Gospels, which is beautiful, slightly idiosyncratic and perhaps a little old fashioned. Those problems are minor, compared with the meaning of the cardinal doctrines of the Christian faith.

If I had been Nokes, I think I should have said—regard me as a well-educated Chinese, familiar with the history of my own religious culture, anxious to get clear answers about yours. It goes without saying that various different streams of our own Chinese ethical teaching, reaching back some hundreds of years before the birth of Christ, are similar to yours. But your theological statements bewilder us, and they bewilder us even more when you wander off into poetical metaphor. It is easier for us to understand a strictly monotheistic religion, like Judaism. But yours seem to have acquired so many complications on the way—are they historical accretions? What do you yourself understand by the Trinity? And by what appears to be an absolute essential of your faith, the Resurrection? Most of your co-religionists have presumably believed this in concrete terms. Do you?

There is another question which the Chinese interlocutor might put. This is one, he could say, where we and you have had something in common. We too, though not as persistently as you, have believed in personal immortality, which in your writing you define as identity continuing timelessly after death. But how can identity persist, either in or out of time, without memory? Don't you agree that memory is a physical function, which must perish with the physical brain? Or have you some recourse which is more serious than a form of words?

I wish Mason would sometimes devote himself to my hypothetical Chinese. Meanwhile, arguments apart, this is a work which made me feel rather better about man's state.

Philip Mason: plain statement of faith

Painters in plenty

BY WILLIAM PACKER

We all like a good picture-book, and never more so than at Christmas: which should make every art-book a winner, so long, that is, that the pictures are in colour and there are plenty of them. For they combine virtue with pleasure, taxing neither the brain nor the conscience, the ideal cargo for the lap immediately south of a full stomach. But even the best of formulae will let you down if applied thoughtlessly or promiscuously.

What could sound better, for example, than **Painting in Britain — 1525 to 1975** (Phaidon £12.95, 256 pages, 221 illustrations) by John Sunderland? Surely, from so much lovely material, some thread will emerge? But it does not, and, on reflection, could not. There are indeed lovely paintings from which to choose, and many of them have made splendid colour-plates, but the truth is that there are too many. The unhappy and inevitable consequence is that Mr. Sunderland's introductory essay marks not so much an access of scholarship as of empty generalisation.

British Painting by Thomas Rawley, the latest title in Phaidon's series of large-format art paperbacks (£3.95, 96 pages, 114 illus.) covers much the same ground, at greater speed but with a lesser ambition; and indeed is happier for its comparative modesty. The colour-plates are large and lush, to be enjoyed just as they are.

Scottish Painting 1837-1939 by William Hardie (Studio Vista £12.00, 112 pages, 124 illus.) is a sound and handsome production, well-timed to coincide with the Royal Scottish Academy's 150th anniversary celebrations. Interest has revived lately in Scottish painting: there have been particular shows in London, the Fine Art Society, with its northern connection, usually has such work about, and the RSA's own special summer show was a splendid survey. Now Mr. Hardie takes us carefully, thoroughly and soberly through his subject, in all its aspects, setting the more familiar figures, the Laveries, Phillips, Orchardsons, McTaggarts and Peploes into a national context.

Another national school, this time the Dutch, again benefits from a general interest stimulated by a major exhibition, although publication anticipated it by several months. In **Dutch Painting** (Phaidon £3.95, 48 colour-plates) Christopher Brown keeps to a century or thereabouts, this time the 17th. His commentary on the plates is simple and informative; while the plates themselves must whet the appetites of those of you who have yet to visit the Dutch show at the National Gallery.

But scholars are not the only people to command attention when it comes to the discussion of Art. The popular myth of the inarticulate artist is misleading and unfair, and should have been exploded long ago. **Artists on Art** (John Murray £3.50, 500 pages, paperback) shows us clearly why, for it is an excellent anthology, compiled and edited by Robert Goldwater and Marco Treves, of artists' writings over some seven centuries.

Nobel man in Israel

BY DAVID PRYCE-JONES

To Jerusalem And Back by Saul Bellow. Alison Press/Secker and Warburg. £3.90. 182 pages

Saul Bellow is a pessimist who keeps his cool. Stylish, witty, wary. So even this sombre personal account of three months spent in Jerusalem at the end of last year is a delight for its literary attack. Within the first two pages, to give examples, with Bellow hardly airborne to Israel, he noticed that the young man in the next seat "does not keep a civilised face," and "the British Airways chicken with the chill of death upon it lies before me." Once arrived, he was cramped for the first time in his life, his elbows rubbed uncomfortably against reality, the place allowed for too few fictions, and he had to turn reporter.

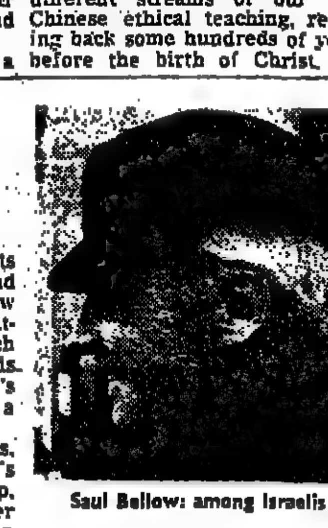
Instant regrets. Hardly had he settled in before he was being politicised, and who wants to be up the sharp end of the eternal Jewish question when he could be contemplating quieter heritages in the good old Chicago where he is at home? What Bellow asked of Jerusalem was the impossible—to sniff the air, to saunter with poets and sages and to talk well, to move among tombs and monuments as a famous writer should, taking the long view on mortality. But—for everything in Israel is prefaced with But—here he was having to listen to the news, tuning up his own Jewish early warning signals. "These people," he writes of Israelis, "are actively, individually involved in universal history. I don't see how they can bear it."

There can be no chickening out for them, of course. Dutifully Bellow goes after their problems, sees the sights, or takes the measure of the best men on the spot, like Professors Jacob Talmon and Shlomo Avineri. If it were possible, Bellow appreciates, the Arabs would give the Israelis a kidney punch, and the Russians would count the score out. The civilised world, he thinks, "seems tired of its civilisation" and would stand by. Those who ought to know better are already accommodating to the totalitarianism which they see coming. And that is how once again, to everyone's dismay, Jews have become a special test case of conscience.

In one of his superb phrases, so contemptuous of mankind's folly, Bellow strikes deep. "What Switzerland is to winter holidays, and the Dalmatian coast to summer tourists, Israel and the Palestinians are to the West's need for justice—a sort of moral resort area." Justice in Jerusalem chases its own tail in diminishing circles, and Bellow does not care for any form of giddiness. Give him his friends who lost a son in the last war, or his cousins lately struggling out of Russia, and he will grieve with them, being too human to dilute private feelings with symbolic gestures. But manifestos, slogans, prescriptions—no.

In some consternation, therefore, in case he is letting down the free world, he seeks higher authorities, sounding out Hubert Humphrey, Teddy Kollek, the Mayor of Jerusalem, Abba Eban, Henry Kissinger. Insights and angles on all sides. These professionals seem to patronise him in his fine doubts, but they too are caught in "the butcher question of politics." The appeal here is to the open play of an open mind, a blithe spirit which like Shelley's sky-lark, never was. Bellow knows it well; blood is just over the horizon; of the Lebanese civil war he asks horrifyingly, "Would 40,000 dead appal us more than 30,000?" Butcher question indeed.

All that can be said is that Bellow takes advantage of his privilege to escape. What the Israelis have to bear he cannot bear on their behalf. He wishes he could, he almost despairs of their political isolation and the lack of moral fibre in their friends, but the aeroplane ticket in his pocket is not to be argued with. Make books, not war—hopelessly negative, but then who knows where wisdom will begin in this particular dilemma?



Saul Bellow: among Israelis

Green Room salad

BY B. A. YOUNG

Most interesting of the stream of players' lives that has been gushing out all the autumn is James Forsyth's **Tyrone Guthrie** (Hamish Hamilton, £7.95, 372 pages), though it is disappointing that Mr. Forsyth, not an inconsiderable figure of the theatre, should concentrate more on personality than, by comparison, on Guthrie's theatrical method. As Guthrie walks (by a route imagined for him by Mr. Forsyth) to the Old Vic in 1933, we learn that "he would only be mildly aware that across the Channel and away beyond where the Thames flowed into the sea, the jackboot was on the march in Germany."

Worse flawed, to my mind, is Charles Higham's **Charles Laughton** (W. H. Allen, £4.95, 240 pages) which also regards personal details as more interesting than acting technique. Much space is given to an exposé of Laughton's homosexual amours, surely unimportant compared with his acting triumphs, especially as his wife was able to live with them. Mr. Higham is not a sensitive writer; no one should write about Laughton who can describe Lilian Baylis as "a very ugly woman with a wall eye, a crooked nose and an unpleasant mouth, who ordered everybody about and insulted Charles."

Two alternative shots of Frank Sinatra, **Sinatra** by Earl Wilson (W. H. Allen, £5.00, 377 pages) and **Frank Sinatra** by Tony Scaduto (Michael Joseph, £4.25, 159 pages). Wilson's is self-evidently the better value and, as both books cover the same ground, Wilson is my choice. Sinatra's life, from "skinny kid" (as both the blurbs say) to portly magnate, makes a fascinating human study, however you rate his singing. I rate it highly, his acting too.

A. E. Hotchner's **Doris Day** (W. H. Allen, £4.95, 357 pages) and Michael Freedland's **Fred Astaire** (W. H. Allen, £4.95, 277 pages) are loyal surveys of their subjects' careers, their object to make interesting lives that are more or less confined to professional engagements and the odd marriage; fans of both stars will be grateful for them but more for *Doris Day*, which contains a "filmography" for filmologues.

There's no filmography in Arthur Marx's **Goldwyn** (Bodley Head £4.95, 176 pages) and this is a serious fault. It is a very good biography all the same. Instinctively one starts by checking on the authenticity of such phrases as "Include me out."

Goldwyn claims that what he said was "I'm withdrawing from the association," and it is a fact that many Goldwynisms were invented by those around him, including George Oppenheimer, who was once his story editor and tried vainly to sell him *The Wizard of Oz*. Goldwyn refused it because it was a fantasy: "Fantasies don't make good pictures." This one did, for MGM.

Later, Goldwyn turned down *The Citadel* because "All doctor pictures lose money;" but was keen to buy *The Children's Hour* even after he was told it was about lesbians. "We'll make them Americans," he said.

Frankie Howerd's autobiography **On the Way I Lost It** (W. H. Allen, £4.50, 287 pages) is as endearing as that comic always is (even when saddled with the awful material people occasionally wish on him). The title refers to the terrifying sag in the middle of his career, a sag that came to an end with his triumphant performance in *A Funny Thing Happened on the Way to the Forum*, for which he had been recommended by John Gielgud. The book is written in Howerdesque style, and his fans will not fail to enjoy it.

Musical Stages, the autobiography of Richard Rodgers (W. H. Allen, £5.95, 341 pages), is less endearing but of more general interest. I first became aware of Richard Rodgers's music in 1929 and have never stopped admiring it through all its changes of manner. The Rodgers—Lorenz Hart combination produced some of what is to my mind the best popular music of this century; the Rodgers-Hammerstein combination, more sentimental, less dry, hit another target equally squarely. But the private Rodgers seems to be a touchy chap. *He found Jack Hulbert* (of all people!) unfriendly in 1927, and he became "estranged" from Stephen Sondheim, over the lyrics for *Do I Hear a Waltz?*, in the 1970s. Well, a genius doesn't have to be likeable if he doesn't want to. Beethoven was awful.

Jacques Tati by Penelope Gilliatt is an annotated picture-book in a series called The Entertainers (Woburn Press, £2.95, 96 pages). Impossible to think of a better writer for the project. The pictures are well chosen and the binding, which in the earlier numbers of the series would not allow double spreads to be seen, is now impeccable.

And a curiosity to wind up with: **The Jester and the Court**, by Edward Robey (William Kimber, £4.50, 191 pages). Son of George Robey, and himself an amateur actor of uncommon distinction, Edward Robey combines memories of his father and his theatrical world with very different memories of his own practice at the criminal bar. The combination emphasises once more how close a resemblance there is between barristers and actors. It would have emphasised it still more if the publisher had submitted the author to some stiff cross-examination every time he used some phrase like "I do not know if," when a telephone call would have found the answer.

David Higham fiction prize

The £350 David Higham fiction prize has been awarded to Caroline Blackwood for her first novel *The Stepdaughter* (Duckworth, £2.95). In her review on May 27 in the Financial Times Isabel Quigly said: "The skill of this very short novel fills me with pleasure and admiration such subtlety in the descriptions of mood and feeling, such an unfolding of meaning, purpose and secret motive."

Early modern style

BY H. A. N. BROCKMAN

Richard Norman Shaw by Andrew Saint. Yale University Press. £19.50. 486 pages, 290 illustrations

Here is the definitive biography of a great British architect familiarly known as Norman Shaw (1831-1912).

The result of the deep research into his life and times and all the many works and commissions he carried out is meticulously set down in this well written book.

Shaw as a man comes through as a kindly and charming personality with a somewhat naive but ebullient sense of humour. His hero in the early days was the great Goth Pugin, but his attitude to design was ultimately less strict than that of the master. This became evident in his ultimate conversion to classicism as seen in the Piccadilly Hotel and the charming office building which faces up Pall Mall from the foot of St. James's Street, although the latter was a disappointment to Shaw, because of official and even royal interference with the design.

The book ends with a catalogue of completed works, 200 of them, and a list of his pupils and assistants under one of whom, the late George Weald, I had the privilege of working.

Not only is this a complete reference book on Shaw, but the author has the keenest historical and critical sense which is deployed to impressive effect. For instance, in the chapter on the Country House he writes: "To understand the styles of late Victorian house building, we have also to understand the styles the Victorians themselves imitated." There then follows the functional explanation of the use of vernacular building materials and their occasional misrepresentation: tile hanging for purely decorative purposes whereas it was originally used as a weather protection over exposed lath and plaster walls.

This well produced volume is a worthy memorial of one of this country's great architects.

Trains from A to B

BY NICHOLAS OWEN

London's Lost Railways by Charles Klapper. Routledge and Kegan Paul, £5.50. 139 pages

Railway Relics and Regalia edited by P. B. Whitehouse. Hamlyn, £5.00. 176 pages

Despite the retrenchments of recent years, the railway system in and around London still looks on any decently detailed map like a tangle of upset spaghetti. Apart from the passenger lines, there are numerous freight-only links, and at one time or another there would have been passenger services over most of them.

Charles Klapper's aim in his admirably researched *London's Lost Railways* is mainly to evoke these vanished trains. In Victorian and Edwardian times all sorts of curious rail journeys could be undertaken without changing.

There was the link from Waterloo main station to the South Eastern station (now just a footbridge over Waterloo Road) which was handy a few times when Queen Victoria was en route from Windsor to Kent; also vanished is the line which cut through leafy suburbs to the grandiose Crystal Palace (High Level) station; and there were the trains which ran from Liverpool Street through the East End, under the Thames and down to Brighton. The latter used Brunel's historic river tunnel originally intended for pedestrians—luckily he built it big enough to take hay carts, so trains presented few problems.

Circuitous local train services never really stood a chance. Our grandfathers were a robust walking lot, then after the First War London's comprehensive bus network took shape, and finally we have the ubiquitous motor car.

Mr. Klapper's historical work is nice nostalgic stuff, though I suspect the average reader will tend to hop through to descriptions of bygone services in places known personally. Morals are drawn: there is a description of the struggles of the North London (Broad Street to Richmond) line to survive and an examination of Paris's rail network.

Whether expensive new tube lines in London will ever really be viable is debatable. Recent economic nightmares have perhaps altered perspectives. Mr. Klapper's concluding thought is that "property development schemes . . . might finance modernisation." That looks a forlorn hope.

Several old railwaymen I know kick themselves these days for *not* salting away some of the items of ancient equipment which down the years they saw going for scrap. For to-day, collecting "railwayana" is a tremendous business among the country's 2m. rail enthusiasts. *Railway Relics and Regalia* is more or less a delightfully-illustrated saunter through a museum of old machinery, tickets, engine nameplates, maps, timetables, and scenes of steam trains in action. The pictures are backed by text from a variety of experts in various fields of railway history.

Sportsmen all over the field

BY TREVOR BAILEY

Cricket Rebel by John Snow. Hamlyn. £2.95. 218 pages

Shankly by Bill Shankly. Arthur Barker. £3.95 182 pages

Rothmans Football Yearbook: 1976-77. Queen Anne Press, £2.50. 875 pages

John Snow has been a world-class fast bowler, who collected wickets and incidents with almost equal facility throughout a distinguished, and controversial career. Predictably, his autobiography, Cricket Rebel, is strongly spiced with his frequent clashes against authority.

Although many of his criticisms of Sussex, the MCC, the selectors and various managers and captains are completely justified, he was not the easiest of players to handle and must accept some of the responsibility. His own, highly individualistic attitude both on and off the field, together with his conviction that he was almost invariably the innocent victim of the establishment's stupidity were hardly conducive to harmony.

Snow thrived on the big occasion, which is why he often bowled so much better for England than for his county. He admits there were many times when his performances for Sussex were not as good as they might have been, which can hardly have pleased his captain, or colleagues.

In the book Snow has some pertinent things to say about improving the lot of the professional player, Ray Illingworth, whom he greatly admired, pitches and general administration. There are also plenty of interesting anecdotes and some poems, which show his appreciation of words. The sad feature is that this fine player, and intelligent and very likeable person does not appear to have enjoyed his cricket as much as he might.

Bill Shankly is one of the few outstanding characters in the professional football world. He is a volatile individual with a keen sense of humour and a non-stop talker, so that it is not surprising to find that his biography, *Shankly*, is a lively and very entertaining book for anyone interested in the sport.

Born in the little coal-mining village of Glenbuck, his ability at the game, combined with a passion and dedication, seldom equalled, enabled him to become an outstanding player and ultimately, with Liverpool, one of the most successful managers in history.

Bill's long love affair with Liverpool, which became soured after his retirement is one of the highlights. He not only made them into the most consistent club in the country, but the finest example of his skill as a manager was the way, having built a great team, he dismantled it, before it had began to decline, and then produced another, while his affinity with the ordinary fan was very close.

I especially enjoyed his assessments of the leading players since the war. These are as shrewd and as pungent as you would expect from one who has devoted his life to football.

It is difficult to believe that the *Rothmans Football Yearbook 1976-77* is an annual that has now been going for seven years. It remains the best and most complete reference book on the game, soccer's equivalent to Wisden.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Early drifting in slack trading

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Dec. 1.

PRICES DRIFTED in slack trading on Wall Street to-day, when the market remained concerned about Steel and Aluminium price increases.

At 1 p.m. the Dow Jones Industrial Average was off 0.83 at 946.39 but the NYSE All Common

Closing prices and market reports were not available for this edition.

Index was up 3 cents at $54.83, while advances led declines by about a six-to-five majority. Trading was slow at 11.21m. shares.

The Council on Wage and Price Stability postponed a planned News Conference on the steel price rises and the Presidential Press secretary said President Ford remains opposed to jawboning with industry.

Analysts said the Stock Market was helped at the opening by a report that U.S. Leading Economic Indicators for October were unchanged.

Dupont lost $1 to $131¾—it will raise prices on polyester staple fibres.

Pharmaceuticals remained weak. Johnson and Johnson dipped $1½ to $76¾, Bristol-Myers $½ to $67¾, Merck $¾ to $63¾, Smithkline $¼ to $77 and Warner-Lambert $¼ to $28.

Parke Davis, a Warner-Lambert unit, sued to block Food and Drug Administration efforts to have its Benylin cough syrup marketed as a prescription drug in the U.S.

Asarco eased $¼ to $13¾—it is cutting copper prices 5 cents a pound. Kennecott gave way $¾ to $26¾ and Anaconda $¼ to $28¾, but Phelps Dodge added $¾ at $38¾ and Amax $¼ at $54¾.

Union Oil California advanced $2¼ to $56¾ and Union Pacific $1¾ to $98¾.

Kaufman and Broad slipped $¼ to $8¾—the Federal Trade Commission withdrew a proposed Consent Order which had settled charges of deceptive advertising and failure to honour warranties.

THE AMERICAN S.E. Market Value Index added 0.05 at 98.99 and advances lead declines by a small margin. Volume was 1.26m. (1.10m.) shares.

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
U.S. Industries	275,400	7¼	+¼
Occidental Petrlm.	216,800	20¾	−¼
Leeds & Northrup	198,700	27¾	+4¼
Idaho Power	171,600	25¼	−¼
Reserve Oil	155,300	15¾	+¼
Texas Intl.	154,200	5¼	—
Amer. Home Prod.	151,800	29¼	−¼
Deseret Phar.	143,200	30¾	+3¼
Dow Chemical	137,900	39¾	−¼
General Motors	136,900	71¾	−¼
Texaco	134,800	26¾	—

OTHER MARKETS

Canada mixed

Canadian Stock Markets were mixed in light trading yesterday morning.

The Industrial Share Index rose 0.14 to 162.86, Golds 2.92 to 303.15, Banks 0.26 to 217.59 and Papers 0.73 to 102.18, but Base Metals lost 1.39 to 72.01 and Utilities shed 0.06 to 133.68, while Western Oils held unchanged at 201.29.

Massey-Ferguson gained $¾ to $20¾, Royal Bank $¾ to $24 and Alcan Aluminium $¾ to $22¾. But Reed Shaw Osler were down $¼ at $6¾ and Foodcorp lost 10 cents to $3.75.

PARIS—Slightly lower in very quiet trading.

Banks and Investments were narrowly mixed, Foodstuffs eased slightly and Constructions lost ground. Stores were generally easier.

Denain moved up Frs.5.3 to 62, although its expects 1977 results will be similar to this year, when net profit is expected to fall to Frs.60.6m. (Frs.135.7m.).

Americans, Germans and International Oils were mixed, while Dutch shares eased. Golds advanced.

GERMANY—Mixed to lower in uncertain trading.

Kloeckner-Werke were down DM5 at 90.5, after DM85, on short-time for part of its works over the year end.

Other Steels and Banks were barely maintained, while leading Chemicals and Electricals were slightly higher.

Mannesmann closed at DM171 against 342 on Tuesday, after halving the normal value of its shares.

Public Authority Bonds shed up to DM0.50, with the Bundesbank buying DM7m.-worth of stock. Mark Foreign Loans were mixed.

BRUSSELS—Lower in quiet trading. Only Belgian Chemicals, South African Gold Mines and some U.S. shares resisted the general downward trend.

COPENHAGEN—Mixed, with a lower bias, especially among Commodities and Industrials.

AMSTERDAM—Broadly lower. But Banks and Insurances gained slightly, while an irregular trend developed in Transportations. Holland-America Line Holding were up Fls.2.30 and KNSM Group Fls.0.50.

Dutch Industrials mostly declined.

Bonds were steady.

OSLO—Industrials were mixed, Insurances slightly steadier, Bankings firm. Shippings quiet.

SWITZERLAND — Slightly firmer.

Among major Banks and Financials gains and losses were about equal, while in Insurances small gains predominated. Leading Industrials moved narrowly apart from Nestle which rose Frs.80 to Frs.3,300 on active demand.

In a moderately active Foreign sector, Dollar stocks were slightly easier, Dutch Internationals steady, while Germans were well maintained.

VIENNA—Generally steady.

MILAN—Generally easier in quieter trading, partially influenced by the rise to 50 per cent. from 30 per cent. in the Withholding Tax on dividend payments.

All leading Industrials lost ground. Fiat dipped L40 to L1,695 on rumours that the Agnelli family has been buying shares possibly to sell them to an outside interest.

Insurances, Banks and Financials all gave ground.

Bonds were quietly mixed.

HONG KONG—Lower in very light trading.

Hong Kong Bank were down 20 cents to $HK18.20, Hong Kong Land 10 cents to $HK6.95, Hutchison 2½ cents to $HK3.10, Jardine 10 cents to $HK16.40, Wheelock "A" 5 cents to $HK2.65, Swire Pacific 5 cents to $HK9.15, Hong Kong Telephone 10 cents to $HK27.90 and Hong Kong and Kowloon Wharf 10 cents to $HK14.50.

TOKYO—Mixed, with an easy undertone. Volume 240m. (140m.) shares. Many shares opened higher on the Finance Minister's statement that a supplementary Budget would be drawn up.

Export-oriented Electricals, Cameras, Shipbuildings and some Motors, however, turned lower.

Toho gained Y110 to 3,950, Telecommunications Construction Y80 to 1,850, Nippon Hodo Y78 to 846, Tokai Kogyo Y55 to 350, Sekisui Prefab Homes Y50 to 1,170, Ito-Yokado Y30 to 1,700.

But Nissin Food Products declined Y120 to 1,090, House Food Industrial Y40 to 1,540, Victor Co. of Japan Y40 to 1,030.

JOHANNESBURG—Gold shares were quietly firmer. Financial Minings were more cautious.

Coppers were firm but Platinums were easier or below their day's best.

Industrials were mixed.

AUSTRALIA — Again lower, with further profit-taking pushing prices back to pre-devaluation levels in most sectors.

Among Industrials, BHP lost 22 cents to $A6.50, CSR 30 cents to $A3.45, Lend Lease 25 cents to $A1.85 and Ex Industries 20 cents to $A2.30.

Among Mines, Pancontinental dropped 80 cents to $A7.80, Peko-Wallsend 20 cents to $A3.60 and Tah 15 cents to $A4.35.

Ampol Exploration, however, rose 5 cents to $A1.0.

Sterling firm

Sterling continued to improve in the foreign exchange market yesterday following a cautiously optimistic reaction to the Chancellor of the Exchequer's speech in the House of Commons on Tuesday. There were still doubts about the general political reaction to harsh economic measures, including sharp cuts in public expenditure, but this was outweighed by a growing conviction that Britain was likely to receive the necessary financial help. This was reinforced by indications that the U.S. is willing to assist over the issue of the sterling balances and also by the recent sympathetic attitude taken by West Germany.

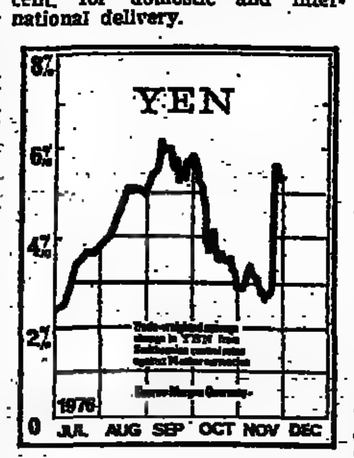
The pound opened at $1.6580-1.6590 in terms of the U.S. dollar, and eased to $1.6560-1.6570, before rising quite sharply to touch $1.6630-1.6640 at mid-day. Further buying of sterling pushed the rate up to a best level of $1.6670-1.6680, but it declined at the close to $1.6625-1.6635, a gain of 1.05 cents on the day.

Sterling's trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, as calculated by the Bank of England, narrowed to 44.9 per cent. from 45.3 per cent. after standing at 44.8 per cent. at noon and 45.1 per cent. in early dealings.

The U.S. dollar's trade-weighted appreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, narrowed slightly to 0.33 per cent. from 0.35 per cent. The Canadian dollar was much steadier than of late, finishing at 96.62½ U.S. cents compared with 96.60½ U.S. cents previously.

It was reported that the Bank of Japan sold $100m. to support the yen, but the Japanese currency showed little change on the day in London, closing at Y296.90 against the dollar, compared with Y296.95 on Tuesday.

Gold gained $¼ to $130¼-131. The krugerrand's premium over its gold content widened to 3.35 per cent. for domestic and international delivery.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Nov. 30	Nov. 29
Sterling	0.697537	0.698465
U.S. dollar	1.14982	1.15149
Belgian franc	42.3910	42.3345
Deutschemark	2.75509	2.76692
French franc	5.74105	5.74853
Italian lira	995.169	997.183
Japanese yen	340.059	340.380
Dutch guilder	2.88490	2.89024
Swedish krone	4.81717	4.81726
Swiss franc	2.80901	2.81067

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

GOLD MARKET

	Dec. 1	Nov. 30
Gold Bullion (a fine ounce)		
Close	$130¼-131	$130-131
Opening	$130¾-131¼	$130¼-131
Morning fix'g	$130.50 (£78.454)	$130.10 (£78.887)
Afterno'n fix'g	$130.50 (£78.364)	$130.25 (£78.606)
Gold Coins domestically		
Krugerrand	$134¼-135¼ (£80¾-81¼)	$133¾-135¾ (£81-82)
New Sov'r'gns	$47¼-48¾ (£28¼-29¼)	$47-49 (£28¼-29¼)
Old Sov'r'gns	$45¼-46¼ (£27¼-28)	$46-48 (£28-29)
Gold Coins intern'nally		
Krugerrand	$134¼-135¼ (£80¾-81¼)	$133¼-135¼ (£80¾-81¾)
New Sov'r'gns	$45¼-47 (£27¼-28¼)	$45¼-47¼ (£27¼-28¼)
Old Sov'r'gns	$41¼-43 (£25-26)	$41¼-43¼ (£25¼-26¼)
$20 Eagles	$218-220	$217-220

FOREIGN EXCHANGES

Dec. 1 1976	Bank Rates %	Day's Spread	Close
New York	5¼	1.6560-1.6680	1.6625-1.6635
Montreal	9	1.7165-1.7276	1.7230-1.72[illegible]
Amsterdam	6	4.15-4.20	4.17¾-4.18[illegible]
Brussels	9	60.8-61.61	61.10-61.50
Copenhgen.	11	9.76-9.84	9.81¼-9.82[illegible]
Frankfurt	3½	[illegible]	4.01¼-4.02[illegible]

EXCHANGE CROSS-RATES

U.S.$ in Montreal. U.S.$=103.67-70 Canadian cents.

Canadian $ in New York. C$=96.43-46 U.S. cents. U.S.$ in Milan 865.85-866.75.

Sterling in Milan 1440.50-1441.10 *Rates for Nov. 30

EURO-CURRENCY INTEREST RATES*

Indices

NEW YORK—DOW JONES

	Nov. 30	Nov. 29	Nov. 26	Nov. 24	Nov. 23	Nov. 22	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	947.22	950.03	956.62	950.96	948.30	955.67	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home B'nds*	90.57	90.39	90.55	90.57	90.54	90.25	90.57 (30/11)	85.98 (15/7)	—	—
Transport	228.12	228.57	229.29	224.67	225.67	225.74	241.7 (14/7)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	101.77	101.82	102.75	101.99	101.29	101.16	102.75 (26/11)	84.8 (26/5)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	17,050	18,750	15,800	26,420	19,090	20,830	—	—	—	—

* Basis of index changed from July 1.

Ind. div. yield %	Nov. 26	Nov. 22	Nov. 15	Year ago (approx.)
	4.26	4.24	4.35	4.49

STANDARDS AND POORS

	Nov. 30	Nov. 29	Nov. 26	Nov. 24	Nov. 23	Nov. 22	1976 High	1976 Low	Since compilation High	Since compilation Low
*Industrials	115.77	114.19	115.62	114.90	115.71	114.51	120.89 (21/9)	101.64 (2/1)	134.64 (11/1/73)	3.52 (30/6/32)
†Composite	102.10	102.44	103.15	102.41	101.96	102.59	107.83 (21/9)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Nov. 24	Nov. 17	Nov. 10	Year ago (approx.)
Ind. div. yield %	3.77	3.84	3.69	3.69
Ind. P/E Ratio	11.54	11.35	11.14	11.97
Long Govt. Bond yield	6.55	6.56	6.35	6.10

N.Y.S.E. ALL COMMON

Nov. 30	Nov. 29	Nov. 26	Nov. 24	1976 High	1976 Low
54.88	54.86	55.55	54.96	57.51 (21/9/76)	47.98 (2/1/76)

Rises and Falls	Nov. 30
Issues Traded—1,878	Up—582
Down—815	Same—481
New Highs 47	New Lows 18

MONTREAL

	Nov. 30	Nov. 29	Nov. 26	Nov. 25	1976 High	1976 Low
Industrial	161.54	162.13	163.45	165.23	207.56 (19/5)	161.54 (30/11)
Combined	162.16	163.45	164.63	164.49	196.78 (30/6)	162.16 (30/11)
TORONTO Industrial	162.72	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (30/11)
JOHANNESBURG Gold	170.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Industrials	175.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Dec. 1	Previous
Australia	407.90	412.81
Belgium	93.46	94.07
Denmark	96.42	97.23
France	61.6	61.9
Germany	722.4	725.3
Holland	82.5	83.4
Hongkong	398.26	400.77
Italy	70.63	71.60
Japan	345.96	345.79
Singapore	245.02	244.35

Investment premium based on $2.60 per £—119% (same%)

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated
♥ Ptas.500 denom. unless otherwise stated
♣ Kr.100 denom. unless otherwise stated
Φ Frs.500 denom. unless otherwise stated
♦ Yen 50 denom. unless otherwise stated
g Price at time of suspension
a Florins. b Shillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa ex all. Δ Interim since increased.

OVERSEAS SHARE INFORMATION

NEW YORK

CANADA

GERMANY ◆

MILAN

AUSTRALIA

BRAZIL

JOHANNESBURG

PARIS

BRUSSELS/LUXEMBOURG

TOKYO ♦

SWITZERLAND Φ

AMSTERDAM

STOCKHOLM

COPENHAGEN ♣

VIENNA

OSLO

SPAIN ♥

هكذا من الأصل

FARMING AND RAW MATERIALS

Wool values decline curbed

By Our Commodities Editor

THE Australian Wool Corporation confirmed yesterday that it was forced to step up support purchases to some 18 per cent of total offerings at the resumed *wool auctions in an attempt to* sustain prices at the pre-devaluation level of the dollar.

Prices for all types of wool are claimed to have closed well above the new "floor" levels with the whole clip market indicator at 321 cents a kilo, compared with the new "floor" of 284 cents and last week's pre-devaluation close of 280 cents. In terms of foreign currency, however, prices ranged between 4 to 14 per cent. lower.

The biggest sale was at the Newcastle auction where the Australian Wool Corporation bought 21.5 per cent. of the 21,141 bales on offer.

In devalued Australian dollar terms, prices were 16 per cent. higher for merino and crossbred fleece and skirtings, and 11 per *cent. up for carding wools.* But in foreign currency terms prices were 5 to 10 per cent. easier than previously.

Other Australian auctions at Melbourne, Geelong, Albany and Albury showed a similar trend. In New Zealand, at the Auckland wool sale, prices were held up by strong buying competition from the New Zealand Wool Marketing Corporation.

In London, values eased again on the futures market reflecting the lower tone, in real terms, at the Australian auctions.

Copper hit by surprise cost reduction in U.S.

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES fell back on the London Metal Exchange yesterday, following overnight news of a surprise cut in the U.S. domestic copper price announced by Asarco (American Smelting and Refining Co.) Cash wirebars closed £16.25 down at £742.5 a tonne.

London traders are doubtful about whether other major U.S. copper producers will follow the lead set by Asarco in cutting its domestic price from 70 to 65 cents a lb., effective immediately.

Asarco attributed the cut to the continued wide spreads between the price charged by U.S. producers supplying the bulk of consumers on regular contracts and the cheaper imported copper, based on LME quotations.

But after the market closed *another major producer,* Phelps Dodge, confirmed, it, too, was cutting prices by 5 cents. However, it also announced a cutback in production by reducing operating schedules at all its mines and concentrators from the equivalent of six days a week to five and a half days. Smelter output will be similarly reduced the company said.

Asarco attributed the decision to cut its copper to the continued wide spread between the *price charged by U.S. producers* supplying the bulk of domestic consumers on regular contracts and the cheaper, imported copper, based on LME quotations.

It claimed the differential between U.S. produced and imported copper of between 12 and 13 cents a pound was putting great pressure on its regular domestic customers.

The swift decision by Phelps Dodge to follow Asarco's lead makes it virtually certain that all producers will be forced to cut prices to the lower level, albeit very reluctantly in some cases where production costs are above average.

It was generally believed that the U.S. copper producers would be anxious to avoid if at all possible cutting prices officially *in view of the apprehension* about a price "freeze" when the Carter Administration takes office next year—a motive thought to be behind the moves by U.S. steel and aluminium producers to raise their prices.

Nevertheless, theer is little doubt that the growing world surplus of copper supplies, and lack of real growth in demand, has made the U.S. into a highly competitive market.

Latest figures issued by the American Bureau of Metal Statistics yesterday showed that U.S. refined copper stocks rose by 16,700 to 372,800 short tons in October, compared with 314,900 tons in October 1975.

The Bureau estimated that the grand total of copper stocks in the U.S., Japan and the London Metal Exchange was 1,175,400 short tons against 1,013,500 at the same time last year. Since then, stocks have risen with LME stocks alone up by nearly 20,000 tons in the past month.

Meanwhile, nothing has come out of the meeting in Santiago of the Council of Copper Exporting Countries (Cipec) except a reported proposal by Chile for a permanent advisory body to be formed to advise members on policy decisions.

But it can be expected that the Asarco price cut will feature prominently in the proposed discussions on ways to stabilise world copper prices in view of the prospect of a move to still lower levels.

There was a general easing in other metal prices yesterday following the downtrend in copper and the firmer tone in sterling for most of the day.

Frost may hit sugar beet crop

By Our Commodities Editor

BRITISH SUGAR growers have been advised to harvest the rest of their beet crop as quickly as possible because of a threat of frost damage.

The British Sugar Corporation has told farmers that the high water content of the beet following recent heavy rains has made the 25 per cent. of the crop still to be lifted particularly susceptible to frost damage.

Overall, the BSC still estimates this year's crop will produce 675,000 to 725,000 tonnes of sugar compared with 640,000 last year. Meanwhile, Reuter has reported from Paris that the French Beet Sugar Association estimated this year's sugar output at 2.65m. tons compared with 2.9m. last year.

In Brussels, the EEC Commission announced it had authorised sales of 19,000 tonnes of sugar from intervention stocks in Belgium. This helped to pull down prices on the London terminal market by about £2 a ton. The London daily price for raw sugar was also fixed £2 lower at £120 a ton.

Cocoa and coffee higher

By Our Commodities Staff

COFFEE and cocoa markets ended with gains yesterday after a day of fluctuation.

Cocoa opened limit-up and values climbed to a peak of £1,810 before easing back. At the close, March cocoa was £1,790 a tonne, up £27.5 on the day. *The early firmness in the* market was put down to reaction to the recent sharp fall in values which market observers felt had been somewhat overdone.

Robusta coffee prices also closed off the days highs of £2,421 a tonne, again after a sharp movement upwards in compensation for the previous day's falls. At the close, March coffee also showed a gain of £27 at £2,400.5 a tonne.

METAL TRADING FEARS EASED

Mr. L. Lubett, chairman of the Minor Metals Traders Association, confirmed yesterday the Bank of England had provided assurances that went a long way to reassuring members' fears about the impact of the new Exchange Control regulations on trading between third countries.

This followed representations to the Bank by the association last week.

SOUTH AFRICA

Downturn in U.K. hits canned fruit sales

BY JOHN STEWART, CAPE TOWN CORRESPONDENT

SEVERE LIQUIDITY problems experienced by the South African fruit and vegetable canning industry are directly related to adverse conditions on the British market on which it depends for more than 60 per cent. of its deciduous fruit pack sales.

The industry is more than 85 per cent. dependent on exports, with sales in Britain yielding about R50m. out of total export earnings of about R80m.

Conditions this year are marginally better than 1975 when sales in the U.K. fell by 25-30 per cent., leaving South African canners with an embarrassingly large stock carry-over into the 1976 season. But the prospect of another big carry-over looms large unless the U.K. offtake *quickens dramatically from now* until Christmas.

The industry's *main* problem lies in the fact that although it sells forward almost the entire export pack at or near the start of each new season, shipment of the goods to U.K. is made piecemeal as and when required by buyers, who are consequently spared the costly exercise of holding large stocks. At the same time, British buyers in nearly all cases only pay for purchases after they have been sold.

Overdraft

This means that for a large part of the year, and sometimes for more than a year, canners have to operate on bank credit until U.K. remittances restore their cash position. Last year's sales decline in Britain, the effects of which have still not been overcome because of inadequate improvement in the 1976 sales tempo, has put severe strain on companies' cash resources.

As a result, the industry has asked the South African Reserve Bank to raise its overdraft facility, which currently stands at R10m., by a few million rands to keep going until the 1976 pack has been paid for in full. Increased operating capital will also be required to meet increased production costs in the 1976-77 season, which is about to start when early varieties of apricots are delivered to canneries.

The cost of labour and cans will probably rise about 20 per cent., while sugar producers will be asking 47 per cent. more for the 60,000 tonnes consumed by the industry annually.

But canners say the problems are due mainly to involuntary price rises on the British market flowing from unfavourable exchange rates between sterling and the rand. The 18 per cent. devaluation of the rand in September last year helped for a brief period to stimulate U.K. sales before faltering and slowing once again as the pound's problems persisted.

Adding to canners' problems of price resistance in Britain is the Common External Tariff (CET) against third country imports, which has been raised another notch and currently stands at 19.2 per cent. in respect of canned peaches and apricots and 20 per cent. on pears. (Exports to Continental members of the Community are subject to the full CET of 24 per cent. on peaches and apricots, 22 per cent. on pears.) Uniform levels of duty will be levied from January, 1978, when Britain's EEC transition period expires.

Canners complain, too, that the problem of European protectionism is aggravated by the fact that duty is calculated on the c.i.f. value of the export pack.

This means that, with ocean freight rates rising steadily exporters are at the mercy of a vicious ratchet effect which maintains upward pressure on duties and pushes more and more goods out of price reach for U.K. consumers.

This, in turn, sharpens the competitive position of substitute desserts such as ice cream and yoghurt. Another twist of the cost spiral will come on December 27 when the industry's customary carrier—the south- and South-East African conference lines—will raise freight rates 15 per cent.

Moreover, all these factors greatly improve the competitive position of Greek and Spanish canners whose special relationship with the EEC, as well as their geographic advantage, will give them a substantial price edge over South African offerings.

Although most of the industry's problems in South Africa were foreseen in the early 1960s when the first attempt was made to get Britain into Europe, it has not been possible to reduce heavy reliance on U.K. and European markets to any marked extent.

Tonnages

Modest tonnages are exported to the Far East, Canada and Africa, but these markets appear to show no great potential for expansion, partly because of their close proximity to the U.S. and Australia, both major producers of canned fruit.

But the situation is not altogether one of unremitting gloom. Clear indications have emerged that growers of canning grade deciduous fruit will bring the industry relief in a crucial area—the price canners have to pay for raw fruit. Farmers announced their willingness to accept a lower price for canning grade apricots in the 1976/77 season, and it is generally expected that they will ask less for canning grade peaches and pears too.

British nickel prices lower

By Our Own Correspondent

U.K. NICKEL prices were lowered yesterday, reflecting the firmer tone in sterling during the last week of November. Inco Europe cut its price for electrolytic nickel and pellets to £3,286 a tonne, from £3,361 in November.

A similar decrease was announced by Entores for Le Nickel rondelles.

The lower prices do not reflect the recent special discounts for ferronickel products, which cover orders before December 31 for deliveries in the first quarter of 1977. Le Nickel have not officially announced any price cutting, but trade sources claim that a reduction of $176 a tonne has been offered to contracted customers.

Sogemin said it has lowered the price for VMK cobalt metal supplied by Sozacom in the form of broken cathodes and granules to £6,615 from £7,015 a 1,000 kgs delivered works U.K.

The adjustment is due to the rise in the value of sterling.

Trawlers advised to leave

BY OUR FOREIGN STAFF

SIXTEEN BRITISH deep sea trawlers from Humberside and Scotland were expected to stow their nets and leave Icelandic fishing grounds by midnight yesterday.

They were advised, by radio from British Government support ships to leave, because of the expiry of Britain's fishing agreement with Iceland at midnight which ended the third cod war six months ago.

British Government sources emphasised that nothing legally can be done to stop a trawler from continuing to fish inside Iceland's 200-mile limit. But if a skipper chooses this course, it will be at his own risk since he could face confrontations with Iceland's coastguard and will not have the Royal Navy to protect him.

Industry sources said they thought all skippers would obey orders of their companies and pull out.

The loss of Icelandic fishing grounds could mean unemployment for some fishermen and support workers in Hull, Grimsby and Fleetwood.

EEC officials in Brussels were reported hopeful that when talks resume in two weeks' time, Iceland will agree to at least some British trawlers returning to the grounds.

There are political problems for the Reykjavik Government in allowing continued foreign fishing, but there is optimism that around 12 trawlers could be permitted to operate inside Iceland's 200-mile limit under a new agreement. This is half the number allowed under the old Pact.

Our Oslo correspondent writes: Norwegian Fishing Limits Minister, Mr. Jens Evensen, to-day gave a clear hint that Norway may soon move to regulate fishing around the Svalbard (Spitzbergen) archepelago over which it has sovereignty, in order to protect resources from an invasion by trawlers excluded from the newly-established 200-mile zone.

"Under no circumstances," he told the Storting (Parliament), "will the Government be able to countenance . . . unrestricted fishing, and a significant transference of foreign fishing endeavours, to these young-fish fields which are so important for the Norwegian Arctic cod population."

Mr. Evensen was pessimistic about the recent general breakdown of organised international co-operation regarding exploitation of marine resources. The UN Law of the Sea Conference was at a standstill, and it appeared to be very difficult to assemble a large enough majority for a new international treaty.

The Norwegian authorities are concerned, too, at the failure of last week's meeting of the North East Atlantic Fisheries Commission. (The talks, in London, should have fixed 1977 catch quotas; but broke down because the East Bloc countries would not recognise the EEC as a negotiating partner.)

From January 1, Norway would be able to regulate fisheries within its 200-mile zone, but fishing would also have to be regulated in other areas. He particularly mentioned the waters around Svalbard, where he said recent developments had heightened the need for restrictions.

Big drop in private forestry planting

BY PETER BULLEN

BRITAIN HAS lost about 40,000 acres of private commercial woodlands since 1972 because of the loss of confidence among private growers, who have cut back plantings, the Forestry *Committee of Great Britain has* told the Government.

Eventually this would represent timber worth £165m., which if substituted by imported timber and products, could add £400m. to the U.K.'s import bill at to-day's prices, said the Committee, which represents the Timber Growers' Organisation of England and Wales and the Scottish Woodland Owners' *Association with a combined* membership of over 3,000 owning 950,000 acres of woodlands.

To restore confidence and encourage private plantings to return to the levels of 1972 the Committee has appealed to the Government to draw up, and issue, a long-term national policy for State and private forestry.

Because of the special long-term nature of timber-growing, it says it should also be granted "*fiscal neutrality*."

It also wants to see an immediate increase in forestry planting grants from present level of £45 or £57.27 a hectare to £75 to meet "massive" increases in costs.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Weaker on the London Metal Exchange following the reduction in the U.S. of the Asarco producer price, which immediately depressed sentiment. Forward metal slipped from £779, having been marked sharply lower, to £773 in the morning with some speculative short selling. In the afternoon, however, greater steadiness emerged. Although Comex was lower, the expected stoploss selling did not materialise and the market found some stability at lower levels. In London, the price rallied in response and closed on the Kerb at £776 after the most active trading session for several days. Turnover 14,600 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £737, three months £771, 70, 70.5, 72 to 70.5. Cathodes: Three months £757. Kerbs: Three months £770, 70.5, 70, 69.5. Afternoon: Wirebars, three months £778 to 72.5, 76.5, 75, 75, 75.5. Cathodes: Cash £730. Kerb: Three months £775, 75.5 to 77, 76, 75, 75.5, 76.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	737-.5	—26	742-3	—16.2
3 months	770-.5	—27	775-.5	—17.5
Settlem'nt	737.5	—26	—	......
Cathodes				
Cash	724-.5	—24.2	730-1	—15.5
3 months	756.5-7	—25.5	762-3	—15.5
Settlem'nt	724.5	—24.5	—	......
U.S. Sm.	—	......	*70-74	......

TIN—Lower in line with the general trend, but finding greater steadiness in afternoon trading. The Eastern markets were closed overnight and, in London, forward material opened lower at £5,180. Under the influence of copper and the performance of the pound, it fell to a low of £5,125 during the morning as hedge selling continued. The contango widened, indicating a surplus of cash metal. In the afternoon, prices advanced, affected by copper and sterling considerations, to close on the Kerb at £5,162.5. Turnover 820 tonnes.

Morning: Standard, cash £4,955, 50, three months £5,160, 45 to 20, 25. Kerb: Standard, three months £5,130, 25, 30, 35. Afternoon: Standard, three months £5,155, 65, 60, 65, 68. Kerb: Standard, three months £5,165.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	4945-50	—90	4985-95	—50
3 months	5125-8	—82.5	5170-5	—29
Settlem'nt	4950	—90	—	......
Standard				
Cash	4945-50	—90	4985-95	—50
3 months	5125-8	—82.5	5165-5	[illegible]
Settlem'nt	4950	—90	—	......
Straits E.	181,244	......	......	......
New York	—	......	......	......

LEAD—Easier, influenced by other metals. Forward material traded between £285 and £287 in pre-market dealings and eased during the morning in thin conditions. But in the afternoon there was an advance as copper found some stability, while covering against physical business from one quarter aided the steadier trend. The closing price on the Kerb was £290.5. Turnover 4,225 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	275.5	—3.5	274.5-5.5	+2.25
3 months	285.5-7	—4.5	288-.5	—1.87
Settlem'nt	275.5	—3.5	—	......
N.Y. Spot	......	......	25.5-26	......

Morning: Cash £274, 73, three months £287, 86, 86.5, 87. Kerb: three months £286.5. Afternoon: cash £274, three months £286.5, 88. Kerb: Three months £289, 89.5.

ZINC—Slightly lower, losing ground in the morning like other metals and firming in the afternoon under the influence of New York, the greater steadiness of copper and buying from one particular quarter. Forward metal opened at £383.5 and closed on the Kerb at £384. Turnover 5,600 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
Cash	364.5	[illegible]	366-7	[illegible]
3 months	381.5	[illegible]	385.5-6	[illegible]
S'ment	364.5	[illegible]	—	......
Prm. West	......	......	*37	......

Morning: [illegible]

* Cents per pound. ‡ On previous unofficial close.

I.G. Index 01-351 3466 Three months Silver 267.60-270.40

SILVER

Silver was fixed 5.15p an ounce lower for spot delivery in the London bullion market yesterday, at 254.55p. U.S. cent equivalents of the fixing levels were: spot 424.4c, down 3.6c; three-month 430.2c, down 3.2c; six-month 437.6c, down 1.5c; and 12-month [illegible]. [illegible]

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	254.55p	—5.15	256.2p	—2.6
3 months	264.85p	—5.1	265.2p	[illegible]
6 months	275.0p	[illegible]	—	......
12 months	294.8p	[illegible]	—	......

LME—Turnover [illegible]. [illegible]

GRAINS

THE BALTIC—[illegible]

LONDON GRAIN FUTURES MARKET (GAFTA)—[illegible]

COCOA

Prices rallied sharply during opening call, through a limit advance on Commission House selling initiated in New York eroded gains, but near to close was steady, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No6 Cntr'ct			
December	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]
September	[illegible]	[illegible]	[illegible]
December	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]

Sales: [illegible]

COFFEE

[illegible]

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
January	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]
September	[illegible]	[illegible]	[illegible]
November	[illegible]	[illegible]	[illegible]
January	[illegible]	[illegible]	[illegible]

Sales: [illegible]

RUBBER

EASIER opening on the London physical market. Lower throughout the day, closing on uncertain note. The Malaysian market was closed, reports Lewis and Peat.

[illegible]

JUTE

DUNDEE—Quiet. [illegible]

MARK LANE—[illegible]

HGCA—[illegible]

EEC IMPORT LEVIES—[illegible]

LONDON—Quiet. Bangladesh White "C" grade Dec.-Jan. £384. Bangladesh White "D" grade Dec.-Jan. £367. A long ton.

CALCUTTA—Steady. Indian spot Rs.483. Dundee Tossa Four spot Rs.485 values. A bale of 400 lbs.

SOYABEAN MEAL

[illegible]

SUGAR

LONDON DAILY PRICE (raw sugar) £120 (£122.00) a ton cif for Dec.-Jan. shipment. White sugar daily price was fixed at [illegible].

[illegible]

EEC IMPORT LEVIES—[illegible]

WOOL FUTURES

LONDON—Easier, reflecting cheaper values at auctions on sterling basis in well maintained turnover, Bache reports.

[illegible]

SYDNEY GREASY—[illegible]

MEAT/VEGETABLES

SMITHFIELD—[illegible]

MEAT COMMISSION—Average fatstock prices at representative markets Dec. 1. GB—Cattle £30.32 per live cwt (—0.37); U.K.—Sheep 54.5p per pound edcw (+1.3); GB—Pigs £4.92 per sclw (—0.04). England and Wales—Cattle numbers up 32.9 per cent., average £29.95 (—0.44); sheep up 21.7, average 54.8p (+1.5); pigs up 7.9, average £4.92 (—0.04). Scotland—Cattle up 6.0, average £31.67 (+0.09); sheep up 90.2, average 53.0p (+1.4); pigs no [illegible]

COVENT GARDEN—[illegible]

PALM OIL

LONDON PALM OIL—[illegible]

HIDES—London. [illegible]

GRIMSBY FISH—[illegible]

COTTON

COTTON—Liverpool. [illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	Dec. 1 1976	+ or —	Month ago
Metals			
Aluminium (u)	£579	......	£579
Free Market (cif)	$880-890	—15	$890-910
Copper			
Cash Wire Bars (u)	£742.5	—16.25	£779.25
3 months do. do. (u)	£775.25	—17.5	£814.75
Cash Cathode (u)	£730.5	—15.5	£765.25
3 months do. do. (u)	£762.5	—15.5	£801.25
Gold ......Troy oz.	$130.625	+0.125	$122.625
Lead Cash (u)	£275	—2.75	£281
3 months (u)	£288.25	—1.875	£295.75
Nickel (u)	£3,286	—75	£3,361
Free Market(cif)(lb)	$1.95-2.1	......	$2.0-2.5
Platinum(b)troy oz.	£105-109.5	......	105-109.5
Free Market	£93.05	—1.25	£97.5
Quicksilver(76lb)(z)	$105-110	+1.0	$90.85
Silver Troy oz.	254.55p	—5.15	273.75p
3 months	264.85p	—5.1	284.85p
Tin Cash(u) §	£4,990	—50	£4,940
3 months (u)	£5,164	—28.5	£5,129
Wolfram 22.04 lb.cif	£86-89	......	£84½-87½
Zinc Cash (u) §	£366.5	—0.75	£366.5
3 months (u)	£383.75	—0.875	£385.25
Producers (v)	$795	......	$795
Oils			
Coconut Malayan	‡	......	‡
Groundnut			
§	£532	......	£556
Linseed Crude(u)	£450	......	£450
Palm Malayan (u)	$455k	......	$465
Soyabean (u)	‡	......	‡
Seeds			
Copra Philip(u)	$375*g	......	$355
Gr'nuts Nigerian	‡	......	‡
Linseed Can.No.1	£189q	—2	£208.75
Grains			
Barley EEC	—	......	£79.25
Home Futures	£79.15j	—0.85	£78.9
Maize			
French No. 3 Am.	£79.50g	......	£80
S.A. Yellow	‡	......	‡
Wheat			
No. 1 Red Spring	—	......	‡
No.2 Hard Winter	£76.25g	—1.85	£85.1
Australian(f.a.q.)	‡	......	‡
English Milling (k)	—	......	£87.5
Cocoa Shipment (u)	£1,889.5	+14	£1,950
Futures March	£1,790	+27.5	£1,850.5
Coffee shipment (c)	‡	......	‡
Futures Mar. (u)	£2,400.5	+27.5	£2,172
Cotton 'A' Index cent	85.35	—0.4	87.8
Jute LJABWC (d)	$384k	......	$383
Rubber kilo	59p	—2	61.5p
Sisal EA3L (u)	$600r	......	$600
Sugar (Raw)	£120	—2	£115
Wooltops 64s....kilo	303p	......	325p
Cloves (Madagascar)	£4,100k	......	£3,250
Pepper White...ton	£1,455r	—15	£1,500
Black...ton	£1,250r*	—	£1,300

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. *a* Seller's quotation. *b* U.K. and Commonwealth refined. *c* Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. *d* Bangladesh white "C." *h* Jan.-Feb. *i* Jan.-March. *j* Jan. *k* Dec.-Jan. *q* April-May. *r* Nov.-Dec. *u* Metric tons.

FINANCIAL TIMES

Nov. 30	Nov. 29	Month ago	Year ago
244.34	243.78	240.89	—

(Base: July 1, 1952=100)

REUTER'S

Dec. 1	Nov. 30	Month ago	Year ago
1535.5	1547.1	1550.8	1143.5

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Nov. 30	Nov. 29	Month ago	Year ago
Spot	351.12	351.55	—	288.07
Futures	349.23	351.41	—	279.18

(Average 1924-25-26=100)

MOODY'S

Moody's	Nov 30	Nov 29	Month ago	Year ago
Sple Comm'ty	820.7	818.4	—	745.8

(December 31, 1931=100)

★

COPRA. Philippines (per tonne)—Dec. $375 nom., Jan. $375 nom, cif North European ports.

U.S. Markets

Silver and copper steadier

NEW YORK, Nov. 30.

COPPER and silver markets closed a little easier on local selling following a dull session. Grains closed a little better on Commission House buying. Sugar closed unchanged after a dull and featureless session. Cocoa closed lower on Commission House selling. Cotton closed off on Commission House selling, Bache reports.

Cocoa—Ghana spot 141½ (146½). Bahia spot 140½ (143½). Dec. 131.70 (134.20), March 129.05 (128.60), May 120.70, July 115.90, Sept. 111.65, Dec. 101.90, March 97.75 nom. Sales: 2,195.

Coffee—"C" Contract: Dec. 187.00-188.50 (187.88), March 187.00-188.90 (186.90), May 187.50, July 188.60-188.40, Sept. 188.75-188.50, Dec. 186.30-186.00. March nil. Sales: 1,896.

Copper—Dec. 56.90 (57.10), Jan. 57.20 (57.50), Feb. 57.60, March 58.10, May 59.10, July 60.10, Sept. 61.00, Dec. 62.10, Jan. 62.50. Sales: 3,616.

Cotton—No. 2—Dec. 78.20-78.25 (78.75), March 79.00-79.20 (79.78), May 79.15-79.30, July 77.90, Oct. 71.30, Dec. 67.10, March 67.26-67.50, May 67.00-66.00. Sales: 4,050.

ΦGold—Dec. 131.50 (130.20), Jan. 132.00 (130.70), Feb. 132.60, April 133.70, June 134.80, Aug. 136.00, Oct. 137.30, Dec. 138.60, Feb. 139.90, April 141.20. Sales: 2,621.

Greasewool—Spot 100.0 nom. (same). Dec. 172.0 bid (172.0), March 178.0 bid (178.0). May unquoted.

†Lard—Chicago loose 19.50 (19.00 nom.). New York prime steam 20.00 asked (21.00 nom.).

††Maize—Dec. 240½-240¼ (239½), March 249-248½ (247½), May 252½-252¼ July 255¼-255½, Sept. 255-255½, Dec. 253-253½.

‡Platinum—Jan. 156.10 (156.90), April 159.50 (159.00), July 161.00 Oct. 164.50, Jan. 167.20, April 170.00. Sales: 135.

‡‡Silver—Spot 426.00 (423.00), Dec. 427.30 (427.90), Jan. 429.50 (430.40), Feb. 431.50, March 433.60, May 437.70, July 442.00, Sept. 446.30, Dec. 453.70, Jan. 456.20, March 461.00. Sales: 19,400.

*Soyabeans—Jan. 674-675 (672), March 678-679 (676½), May 671-672, July 663½-664, Aug. 654½-655, Sept. 613, Nov. 601.

Soyabean Meal — Dec. 191.90-191.50 (190.20), Jan. 195.00-194.50 (192.50), March 196.80-196.50, May 194.00, July 190.50-191.50, Aug. 188.00, Sept. 182.00-183.00, Oct. 169.00-170.00, Dec. 169.00-170.00.

bSoyabean Oil—Dec. 20.91-20.95 (21.09), Jan. 21.13-21.10 (21.21), March 21.35-21.40, May 21.45, July 21.58, Aug. 21.40, Sept. 20.85, Oct. 20.35-20.40, Dec. 20.30.

Sugar—No. 11: Spot 7.95 (8.05), Jan. 7.85-8.25, March 8.53-8.51, May 8.78-8.79, July 9.01-9.00, Sept. 9.12, Oct. 9.12-9.14, Jan. unquoted, March 9.45-9.45. Sales: 2,679.

Tin—382.00-387.00 asked (379.50-385.00 asked).

**Wheat—Dec. 254½-254 (251½), March 265½-266 (262½), May 270½-270, July 272½, Sept. 276½, Dec. 285½.

WINNIPEG, Nov. 30. ††Rye—Dec. 223 (221½), May 93.20 bid (92.40 bid), July 93.50 bid.

rOats—Dec. 117 (117½), May 78.20 (78.00), July 79.40 nom.

§Barley—Dec. 185½ (188½). May 89.30 bid (88.80-89.20), July 90.30 asked.

dFlaxseed—Dec. 647½ bid (639), May 267.20 (263 bid), July 279 bid.

Wheat—SCWRS 13.5 per cent. protein content cif St. Lawrence 362½ (361½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. Φ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡ Cents per troy ounce ex-warehouse. *b* New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. *r* Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. *d* Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Quietly firm trend prompted by fresh rise in pound

Share index up 3.7 at 301.3—Gilt-edged improve

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 15	Nov. 25	Nov. 26	Dec. 7
Nov. 29	Dec. 9	Dec. 10	Dec. 21
Dec. 13	Dec. 30	Dec. 31	Jan. 12

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Quietly firm conditions prevailed in stock markets yesterday after Tuesday's nervous reaction. Sentiment was helped by the strong performance of sterling and by the report in the Financial Times that the U.S. is thought to be prepared to take a softer line about the future of the U.K. sterling balances.

The outcome of the crucial IMF negotiations, however, was again a major factor in restraining activity. Nevertheless, British Funds gradually edged higher and the Government Securities index improved 0.12 to 58.22 after the previous day's loss of 0.24. What little business there was in leading equities amounted to no more than occasional bear closing and scattered professional demand which combined to leave the FT 30-share index 3.7 higher at the close of 301.3. GKN provided a point of interest, rising 8p to 232p following news that the company had received permission to go ahead with its deal with the German car components firm, Sachs AG.

Trading statements and rumoured and actual bid situations provided the main source of interest in secondary issues. An overall slightly firmer bias was reflected by the 3-2 majority of rises over falls in FT-quoted Industrials and a gain of 1.4 per cent. to 130.75 in the FT-Actuaries All-Share index. Official markings of 3,819 were the lowest for just over five weeks.

Sterling's initial improvement, which was probably a reflection of further reports that next year's public sector borrowing requirement could be at the lower end of recent estimates, put British Funds ¼ higher almost immediately dealings started. After that, the market resumed its disposition of being prepared to await positive developments and traded even more quietly than in the past few days. The result was that closing gains seldom exceed ¼, although Treasury 9¾ per cent., 1981, managed a little more at 83⅝, up 5/16. Corporations were generally ¼ higher.

Still mirroring the changed atmosphere at the Geneva peace talks, Southern Rhodesian bonds gave ground and the 6 per cent., 1978/81, issue fell 2 points more to £61.

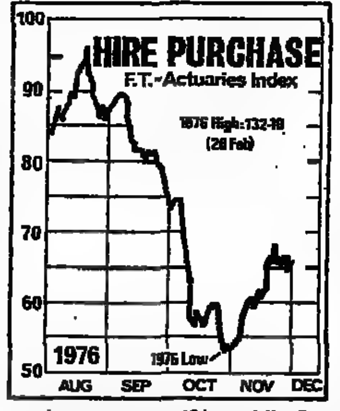
A slightly heavier volume of arbitrage selling lowered the investment currency premium to 117½ per cent. before a late demand on institutional account took it back up to the overnight rate of 119 per cent. Yesterday's SE conversion factor was 0.7149 (0.7166).

Banks better

The big four Banks took a turn for the better in thin trading. Lloyds, 170p, and Midland, 210p, both improved 5, while Barclays added 4 at 202p; sentiment in the latter was helped by Press reports of a bullish broker's circular. Bank of Scotland gained 7 to 200p. Australian Banks, however, were still overshadowed by that country's 17½ per cent. currency devaluation. ANZ fell 13 more to 285p, making a decline on the week so far of 55. Bank of New South Wales shed 5 to 420p as did Commercial Bank of Australia, 205p, and also National Bank of Australasia, 195p. Apart from Union, which lost 5 to 255p, Discounts were inclined harder. Allen Harvey and Ross put on 10 to 330p and Cater Ryder rose 5 to 195p.

A firmer trend developed in Insurances but the volume of trade left much to be desired. Sun Alliance added 5 to 310p as did C. E. Heath, to 390p.

After the previous day's late speculative spurt of 15 on renewed takeover speculation, Tollemache and Cobbold cheapened 5 to 135p on the absence of any bid developments. Allied edged forward a penny to 49½p, while Bass Charrington held steady at 70p in front of to-day's preliminary results.



Buildings had little to commend them. The Australian-based A. V. Jennings reacted 7 further to a 1976 low on 101p. A.P. Cement shed 3 to 118p and R. Costain gave up another 4 to 104p. Dealings were suspended yesterday in Greaves Organisation at 4½p, pending the appointment of a receiver.

ICI fluctuated narrowly and closed 3 better at 285p. Elsewhere, Fisons improved 8 to 262p.

Muirhead firm

Muirhead provided a minor feature in Electricals, rising 4 to 95p in response to the chairman's optimistic view of the company's prospects. BSR improved 3 to 80p, while Pye Holdings, 30p, Ultra Electronic, 59p, and Thorn Electrical, 148p, all closed 2 harder. Philips' Lamp, however, lost 9 to 836p for a two-day loss of 24. Racal Electronics closed without alteration at 215p in front of to-day's interim statement.

Movements of any significance were few and far between in Stores. Gussies "A" hardened 3 to 135p, while Marks and Spencer, 81p, and Dixon's Photographic, 48p, put on 2 apiece. Ratners were lifted 3 to 44p, but Lee Cooper eased 2 further to 53p and Allied Retailers reacted 4 to 55p.

Stimulated by the German commercial court decision to allow the Sachs purchase, GKN rose 8 to 232p. Other Engineering leaders made a mixed showing and while Hawker put on 4 to 390p, Tube Investments remained at 278p. Desoutter Bros. continued to attract speculative interest and gained 5 to 130p; demand of a similar nature lifted Spear and Jackson 4 to 84p, after 86p. Elsewhere, good first-half results inspired an advance of 4 to 54p in B. Elliott and of 2 more to 47p in Tecalemit, but Fairey, despite the higher profits forecast, eased from 61p to close unchanged on balance at 58½p. Staveley moved up 4 to 134p, but Brasway came back 3½ to 28½p on country selling. Shipbuildings had Swan Hunter outstanding again at 44p, up 5, still reflecting the half-yearly results.

In Foods, RHM, with preliminary figures due next Tuesday, improved to 34p before closing 1½ better on balance at 33½p. Linfood were noteworthy for a rise of 6 to 193p on small buying in a restricted market. Alpine Soft Drinks, a firm market of late, contrasted with a reaction of 2 to 63p following the interim figures.

Ladbroke returned to favour, rising 3½ to 80½p on fresh speculative support. Epicure hardened a penny to a 1976 peak of 28p, but Mount Charlotte, 5p, and Swan Ryan, 8½p, both closed marginally easier.

Largely thanks to the further improvement in sterling, the Miscellaneous Industrial leaders staged a modest rally yesterday in thin trading. Beecham fared best at 330p, up 8, while Glaxo rose 7 to 360p, Unilever gained 4 to 380p and Boots added 3 to 99p. Pilkington Bros put on 3 to 273p; the interim results are due next Wednesday. Scottish and Universal Investments rose 4 to 54p on relief that the long-awaited report by the Stock Exchange Special Committee on the chairman Sir Hugh Fraser's share dealings is now out in the open. Elsewhere, Avon Rubber added 7 to 74p, after 75p, in response to the better-than-expected preliminary results. A firm market last week on bid hopes, Ozalid became popular again, rising 4 to 85p, while similar gains were recorded in Myson, 49p, and Robert McBride, 132p. AAH gained 6 at 138p and Alfred Marks picked up 3 at 16p. Kode International were also 3 dearer at 44p, and UKO International ended a penny up at 129p, after 131p, following the interim results. By way of contrast, still affected by the Australian 17½ per cent. currency devaluation, Broken Hill Proprietary fell 25 to 560p.

Group Lotus continued firmly in Motors, rising to 20p for a two-day gain of 7, while Associated Engineering closed 1½ times better at 70p, after 71p, and the new nil-paid shares finished 1½p better at 11p premium. British Car Auction, 2½ up at 35½p, provided the only movement of any consequence in Garages.

Thomson celebrated the North Sea Piper Field coming on stream with a rise of 8 to 348p to equal the 1976 peak. Among other Newspapers with oil content, Daily Mail "A" gained 5 further to 185p being additionally helped by the increased half-yearly revenue, while Associated Newspapers rallied 2 to 104p. Publishers were rarely changed apart from Morgan Grampian, 2 easier at 95p following the indication that the full-year profits forecast may prove a little difficult to reach despite impressive interim figures.

Properties firmer

A firmer trend in Properties owed something to the market being caught unawares by renewed demand. Selected issues were outstanding including Hammerson "A," 280p, and Chesterfield, 124p, both up 10, while gains of 6 were common to Property Holding, 186p, and Warnford Investments, 156p. Land Investors, 79p, Apex, 112p, and Irmy, 127p, were all 5 higher, but Land Securities managed a rise of only 2 to 112p, after 114p. MEPC were the same amount dearer at 41p, while Great Portland, 182p, and Haslemere Estates, 140p, gained 4 apiece. Stock Conversion also moved up 4 to 133p, but Estates and Agency, after being called 52p, closed a net 1 easier at 48p. Australian advices lowered Lend Lease 20 further to 155p. Elsewhere, Carding put on 1 to 9p on the interim profits improvement.

Continental sources became slightly nervous ahead of British Petroleum's third-quarter results and sold modestly in a market lacking any real buying enthusiasm; consequently, BP slipped back to end a net 10 lower at 728p, after 724p. Royal Dutch, too, were reactionary on overseas influences and lost ¾ to £39½, but Shell edged forward 2 to 404p, after 406p. Berry Wiggins, the subject of a recent broker's circular, recovered further to 20p prior to closing the turn harder at 19p, while Tricentrol were a shade dearer at 72p. Domestic market trends continued to undermine Woodside-Burmah, a further 8 down at 90p, and Ranger, which fell ¼ more to £13¾.

Overseas Traders had several firm spots. St. Kitts (London) Sugar stood out with a rise of 18 to 176p in a thin market on speculation about the forthcoming nationalisation terms. Lonrho moved up 3 to 59p in front of to-day's preliminary figures, while Sime Darby improved similarly to 102p on hopes of an early settlement to the dispute with Pernas Securities. Against the trend, Australian Agricultural eased 3 to 82p in belated response to the devaluation of the Australian dollar.

Investment Trusts were harder in places but the volume of business was small. Takeover hopes helped Great Northern put on 2½ to 63½p, while improvements of 3 to 5 were recorded in Jersey General, 133p, Scottish Ontario, 92p, and Second Alliance, 124p. Edinburgh Industrial were active and 2 better at 10½p in Financials where Williams Hudson added a like amount to 22p.

Shippings met with a fair amount of inquiry and closed firmer, where changed. Common Bros. rose 10 more to a 1976 peak of 116p, still reflecting a bullish brokers' circular and the annual report. P. and O. Deferred were wanted at 109p, up 2½, while British and Commonwealth put on 4 to 186p in belated response to Press comment. Sheaf Steam hardened 2 to 114p. Ben Line Steamer's bid of 115 cash is not to be referred to the Monopolies Commission.

Courtaulds moved with the trend and closed 3 dearer at 81p in Textiles. Parkland "A" closed a similar amount better at 22p, reflecting the return to profitability in the first half-year and Richards hardened a penny to 18p following higher preliminary profits.

Tobaccos ended the day at, or near, overnight levels. Further consideration of the first-half performance left Rothmans International a shade harder at 29½p. MKTS U

Rubbers closed easier for choice. Golden Hope shed 4 to 75p and London Asiatic and Pataling were both a penny off at 62p and 61p respectively; the proposed merger of all three is not to be referred to the Monopolies Commission. Among Teas Blantyre put on 10 to 190p, but Jokai were unmoved at 133p following the results.

Australians cheerless

The dismal performance of Australian mining shares following Sunday's 17½ per cent. devaluation continued unabated yesterday, mirroring the further sharp decline in overnight Sydney and Melbourne markets.

Prices moved lower across the board and although trading was only moderate, small offerings were sufficient to leave them around the day's lowest levels.

Uraniums were unaffected by reports that eighteen key unions involved in the mining and handling of uranium in Australia had decided to recommend that overseas contracts already entered into for the supply of uranium oxides should be honoured. Pancontinental dropped 75 more to a year's low of 675p, EZ Industries lost 25 to 225p and Peko-Wallsend 20 to 310p.

Among Coals, Utah lost another 20 to 370p and Thiess 15 to 160p. New lows for the year were also recorded in MIM Holdings and BH South which were both around 5 off at 184p and 100p respectively. Emperor Mines were suspended at 35p pending the lifting of the trading suspension in Australia.

In contrast to Australians, South African Gold shares generally edged higher in quiet dealings despite the uninspiring performance of the bullion price, which was finally 12½ cents harder at $130.625 per ounce. A modest U.S. interest in late trading enabled Randfontein to put on a point to £22¾ and Hartebeestfontein ½ to £10½. Buffels improved 10 to 685p despite the reduced interim dividend. The Gold Mines Index gained 0.5 to 132.1.

Elsewhere, Canadian issues lost further ground following the recent weakness of the Canadian dollar. Northgate dropped 10 more to 340p and Sabina closed 6 down at a year's low of 84p.

FINANCIAL TIMES STOCK INDICES

—	Dec. 1	Nov. 30	Nov. 29	Nov. 26	Nov. 25	Nov. 24	A Year ago
Government Secs.	58.22	58.10	58.34	58.36	58.28	58.38	58.16
Fixed Interest	57.96	57.84	58.01	57.91	57.96	57.98	58.58
Industrial Ordinary	301.3	297.6	302.4	302.5	302.0	299.0	368.1
Gold Mines	132.1	131.6	128.9	132.7	135.2	134.8	229.4
Ord. Div. Yield	7.25	7.32	7.22	7.21	7.22	7.28	5.73
Earning Yld % (full)(a)	22.65	22.93	22.61	22.59	22.60	22.79	15.93
P/E Ratio (net) (a) (b)	6.46	6.38	6.47	6.48	6.48	6.42	9.15
Dealings marked	3,819	4,193	4,016	4,125	5,942	3,935	6,4[illegible]
Equity turnover £m.	—	45.11	39.85	43.41	40.80	31.99	64.5
Equity bargains total	—	9,051	9,027	10,272	9,462	8,952	14,78[illegible]

10 a.m. 298.8. 11 a.m. 300.3. Noon 301.1. 1 p.m. 301.6.
2 p.m. 301.5. 3 p.m. 301.6.
Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=6.40.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1)	55.88 (27/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.45 (2/2)	55.37 (28/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5)	265.3 (27/10)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1)	78.8 (25/8)	442.3 (22/5/75)	42.5 (26/10/71)

S.E. ACTIVITY

—	Dec. 1	Nov. 30
Daily—		
Gilt-Edged	162.6	181.7
Industrials	120.5	129.9
Speculative	23.9	28.1
Totals	86.9	95.4
5-day Av'r'ge—		
Gilt-Edged	169.2	170.7
Industrials	134.4	123.9
Speculative	26.3	27.3
Totals	91.5	92.0

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section. Wednesday, December 1, 1976.

	Groups & Sub-sections	Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Tues. Nov. 30 Index No.	Monday Nov. 29 Index No.	Friday Nov. 26 Index No.	Thurs. Nov. 25 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	112.42	+1.4	24.24	6.43	6.14	6.09	110.85	113.00	113.27	112.40	139.84	160.06 (21/4)	100.86 (28/10)	206.47 (4/5/72)	60.71 (13/12/74)
2	Building Materials (30)	95.46	+0.5	24.85	10.34	6.06	6.05	95.02	95.51	95.72	95.51	135.10	150.16 (19/1)	90.56 (27/10)	253.64 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (22)	136.91	−0.5	32.65	7.97	4.75	4.75	137.65	137.64	138.40	138.19	255.10	260.20 (15/1)	122.08 (27/10)	369.45 (9/5/72)	71.48 (2/12/74)
4	Electricals (16)	216.94	+2.6	20.83	6.55	7.24	7.05	211.60	218.19	218.19	214.52	247.52	287.60 (21/4)	190.54 (27/10)	350.14 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	143.24	+1.9	35.75	9.00	4.31	4.25	140.55	143.01	143.88	144.15	160.07	195.18 (8/6)	125.56 (27/10)	202.57 (8/6/73)	64.39 (6/1/75)
6	Engineering (General) (65)	106.78	+1.7	24.43	8.78	6.04	6.04	105.00	106.89	107.23	106.70	120.38	149.28 (4/5)	95.30 (26/10)	169.69 (4/5/72)	45.45 (6/1/75)
7	Machine and Other Tools (9)	51.56	+2.3	18.17	8.61	8.24	8.22	50.42	50.74	50.76	49.56	48.29	60.62 (3/5)	46.39 (11/10)	155.70 (4/1/69)	19.96 (13/12/74)
8	Miscellaneous (23)	98.21	+0.4	22.79	9.28	6.42	6.35	97.63	97.63	97.55	97.01	119.06	141.94 (11/5)	90.26 (28/10)	177.41 (27/4/72)	48.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	96.41	+1.3	25.27	7.59	5.92	5.92	95.13	97.06	97.24	96.16	114.29	141.46 (21/4)	85.12 (28/10)	227.78 (21/4/72)	38.59 (6/1/75)
10	Lt. Electronics, Radio TV (15)	101.42	+1.5	23.67	5.73	6.28	6.27	100.86	103.98	104.52	102.43	126.89	160.55 (7/4)	87.51 (27/10)	257.41 (19/5/72)	42.35 (13/12/74)
11	Household Goods (13)	108.33	—	28.28	11.11	5.39	5.57	108.17	108.75	108.60	108.57	164.12	187.22 (7/4)	104.50 (28/10)	263.22 (4/5/72)	65.92 (17/12/74)
12	Motors and Distributors (25)	66.47	+1.5	26.49	8.50	5.67	5.67	65.52	66.21	66.11	65.99	67.82	85.16 (6/5)	58.10 (28/10)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (170)	116.70	+1.8	19.65	8.40	7.70	7.62	114.65	116.75	116.47	115.57	148.27	162.24 (4/2)	104.41 (27/10)	226.06 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	120.28	+2.0	19.83	9.56	7.56	7.56	117.89	119.19	119.40	118.61	161.12	179.44 (2/2)	111.17 (27/10)	281.87 (25/11/72)	69.47 (13/12/74)
15	Wines and Spirits (6)	135.76	+1.7	17.73	8.55	8.66	8.66	133.48	134.66	130.65	130.71	161.42	190.67 (6/5)	124.71 (28/10)	267.40 (13/7/72)	78.86 (13/12/74)
16	Entertainment, Catering (15)	145.79	+1.5	18.12	9.17	8.42	8.34	145.61	146.56	147.20	145.75	164.25	211.26 (6/5)	127.11 (26/10)	329.99 (12/12/72)	64.84 (6/1/75)
17	Food Manufacturing (23)	152.37	+1.6	21.74	7.05	6.94	6.82	150.35	153.74	155.60	152.93	161.06	179.44 (11/5)	120.54 (27/10)	211.65 (1/5/72)	59.67 (11/12/74)
18	Food Retailing (16)	110.94	+0.3	17.65	7.16	8.51	8.31	110.62	112.71	111.70	112.03	145.56	160.05 (12/1)	92.79 (28/10)	235.08 (16/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (16)	178.65	+1.9	14.55	6.00	10.41	10.41	175.32	176.67	177.78	175.41	161.96	184.46 (11/5)	148.46 (12/10)	260.29 (18/1/76)	55.06 (6/1/75)
20	Packaging and Paper (12)	81.91	+1.6	21.61	9.35	7.05	7.03	80.61	82.43	84.06	82.06	100.90	112.50 (26/2)	72.34 (27/10)	155.69 (28/4/72)	43.46 (6/1/75)
21	Stores (34)	90.34	+2.5	17.11	7.92	9.00	8.98	88.07	88.99	89.52	87.76	125.10	136.34 (2/2)	78.47 (28/10)	214.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (24)	105.57	+2.2	19.63	11.29	7.95	7.22	103.26	106.65	106.64	105.96	160.40	185.24 (6/1)	95.76 (27/10)	235.72 (17/1/68)	62.66 (11/12/74)
23	Tobaccos (3)	187.50	+1.7	23.37	9.21	6.37	6.37	184.45	188.68	185.94	183.93	215.23	241.98 (5/2)	167.56 (28/10)	359.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	68.32	+0.6	24.23	9.28	5.55	5.51	67.93	68.92	69.05	68.73	80.75	80.96 (16/7)	59.13 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (95)															
25	Chemicals (26)	174.65	+2.3	18.51	6.61	7.35	7.35	170.73	175.97	177.16	174.94	191.62	251.88 (6/5)	158.10 (27/10)	251.88 (6/5/76)	71.80 (11/12/74)
26	Office Equipment (8)	62.55	+0.3	19.32	8.44	7.57	7.57	62.38	62.91	64.30	64.15	88.47	100.18 (19/5)	58.55 (28/10)	246.06 (1/9/72)	45.54 (2/1/75)
27	Shipping (12)	346.97	+2.8	15.55	7.66	9.32	8.49	337.65	345.81	338.46	335.40	378.87	452.64 (23/1)	308.48 (28/10)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	121.80	+1.7	19.49	9.67	7.71	7.70	119.92	121.84	121.49	120.16	152.15	172.98 (21/4)	108.14 (27/10)	258.85 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	120.22	+1.8	20.71	8.14	7.14	7.08	118.15	120.54	120.61	119.45	147.77	168.58 (4/5)	107.52 (27/10)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	384.81	−0.5	11.07	4.55	10.47	9.65	386.88	391.14	390.65	380.92	325.57	395.84 (20/11)	315.67 (11/10)	431.66 (29/1/69)	87.23 (29/5/62)
31	500 SHARE INDEX	141.20	+1.5	18.77	7.42	7.65	7.48	139.41	141.97	142.01	140.17	162.44	185.00 (4/5)	125.80 (27/10)	227.95 (16/8/72)	64.49 (13/12/74)
32	FINANCIAL GROUP (100)	98.37	+1.8	—	8.00	—	—	96.64	98.20	97.94	97.46	134.81	155.46 (30/1)	87.19 (28/10)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	118.42	+2.0	28.55	7.76	5.39	5.39	116.14	118.56	118.60	117.88	166.64	192.16 (29/1)	111.53 (27/10)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	130.16	+0.5	—	10.70	—	—	129.46	130.94	132.68	132.74	165.81	186.52 (15/1)	97.72 (28/10)	295.13 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	66.47	+1.3	11.06	10.01	20.14	20.14	64.62	66.67	66.67	66.58	96.65	132.10 (26/2)	53.25 (27/10)	433.74 (4/5/72)	68.83 (11/12/74)
36	Insurance (Life) (10)	80.56	+1.1	—	9.39	—	—	79.66	80.81	78.91	79.72	117.91	129.46 (30/1)	75.11 (28/10)	194.46 (15/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	78.52	+2.0	—	9.41	—	—	76.99	78.28	77.95	78.34	107.98	119.75 (30/1)	68.99 (28/10)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	212.52	+1.2	14.14	6.56	10.89	10.89	210.01	211.75	214.16	210.65	220.88	276.90 (11/5)	178.27 (27/10)	276.90 (11/5/76)	65.86 (16/12/74)
39	Merchant Banks (15)	49.06	—	—	8.56	—	—	49.09	49.78	50.35	50.68	85.65	93.85 (27/1)	45.15 (28/10)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	121.94	+2.8	5.26	4.54	35.85	32.02	118.66	120.44	118.42	116.57	158.02	194.67 (30/1)	95.95 (27/10)	367.40 (30/11/73)	56.01 (3/4/65)
41	Miscellaneous (6)	60.71	—	22.13	14.20	6.87	6.87	60.71	60.71	61.47	60.85	79.10	91.98 (3/2)	55.37 (28/10)	303.16 (18/5/72)	33.29 (17/12/74)
42	Investment Trust (50)	132.64	+1.3	4.05	5.85	25.51	25.51	131.13	131.49	130.99	129.52	171.85	184.55 (30/1)	115.09 (28/10)	245.79 (26/4/72)	71.66 (13/12/74)
43	ALL-SHARE INDEX (650)	130.75	+1.4	—	7.43	—	—	128.99	131.21	131.15	129.65	156.07	172.64 (30/1)	116.29 (27/10)	228.16 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	501.05	−1.9	8.25	5.73	16.22	14.78	510.94	515.02	509.47	501.87	373.47	525.40 (7/6)	404.67 (14/1)	555.37 (23/7/73)	84.68 (25/8/65)
45	Teas (8)	132.27	−0.2	31.88	9.30	4.13	3.99	132.52	131.46	132.20	131.53	111.31	142.43 (6/7)	117.89 (7/1)	142.43 (6/7/76)	59.72 (17/10/74)
46	Coppers (3)	155.71	—	42.15	7.28	2.37	2.37	155.71	155.71	155.71	156.70	259.45	301.47 (7/1)	145.41 (2/11)	567.78 (15/7/75)	94.06 (29/4/62)
47	Mining Finance (11)	78.90	+0.2	11.83	6.12	9.28	9.20	78.76	80.07	81.78	82.43	110.91	119.77 (7/1)	77.55 (19/10)	175.90 (25/4/69)	66.31 (30/9/74)
48	Tins (5)	114.93	—	12.31	9.67	12.50	12.34	114.93	114.93	113.52	113.04	91.90	126.36 (7/10)	86.09 (9/2)	126.36 (7/10/76)	54.85 (27/6/70)
49	Overseas Traders (13)	197.69	−0.8	18.57	6.92	7.38	7.37	196.11	198.26	198.77	198.78	216.57	254.47 (5/5)	178.31 (27/10)	254.47 (5/5/76)	97.57 (6/1/75)

	FIXED INTEREST	Wed. Dec. 1 Index No.	Wed. Dec. 1 Yield %	Tuesday Nov. 30	Monday Nov. 29	Friday Nov. 26	Thurs. Nov. 25	Wed. Nov. 24	Tuesday Nov. 23	Monday Nov. 22	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	15.05	15.16	15.04	15.02	15.02	15.01	15.00	15.11	14.95	—	—	—	—
2	20-yr. Govt. Stocks (6)	44.28	14.59	44.18	44.41	44.43	44.39	44.50	44.52	44.33	46.14	53.45 (30/1)	42.31 (27/10)	115.42 (11/7/65)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	44.50	16.49	44.55	44.45	44.49	44.49	44.54	44.50	44.50	45.88	52.40 (21/5)	43.09 (2/11)	113.48 (25/10/63)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	43.69	15.91	43.69	43.98	43.63	43.44	43.30	43.16	43.16	46.25	51.25	40.54	114.41	34.45
5	Coml. and Indl. Prefs. (20)	60.55	14.88	60.56	60.56	60.60	60.55	60.53	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Engineering (General)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Wines and Spirits	[illegible]	[illegible]	All Other	10/4/62	100.00
Toys and Games	[illegible]	[illegible]	British Govt.	[illegible]	[illegible]
Office Equipment	16/1/70	128.20	Debs. & Loans	[illegible]	[illegible]
Industrial Group	31/12/70	128.20	Investment Trust Prefs.	[illegible]	[illegible]
Miscellaneous Financial	31/12/70	128.06	Coml. and Indl. Prefs.	[illegible]	[illegible]
Food Manufacturing	29/12/67	114.13			

* Redemption yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p. A record of all the indices, [illegible] is obtainable from FT Business Enterprises Ltd [illegible] Telegraph Group [illegible] IBM 370 computer. A list of the constituents of the FT-Actuaries [illegible].

Shrewsbury & Wem Brewery

Turnover of Shrewsbury and Wem Brewery Co. for the year to September 24, 1976, was £3,752,[illegible] compared with £3,232,209. Profit was £535,933 against £486,281, subject to tax of £243,527 against £206,872.

The Ordinary dividend absorbs £35,000 (same).

The company is a subsidiary of Greenall Whitley and Co.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
BATs Deferred	25p	12	210	—	225	188
Chloride 'New'	Nil/Pd	11	12*	+3	12*	8*
GKN	£1	11	232	+8	300	203
Assoc. Eng. 'New'	Nil/Pd	10	11*	+1½	11½*	4*
Beecham	25p	10	330	+8	390	269
ICI	£1	10	285	+3	402	256
Barclays Bank	£1	9	202	+4	350	190
Swan Hunter	£1	9	44	+5	59	33
BP	£1	7	728	−10	744	557
Courtaulds	25p	7	81	+3	169	73
Land Secs.	50p	7	112	+2	198	92
Shell Transport	25p	7	404	+2	462	352
Allied Polymer	25p	6	20	+1	30	19
Marks & Spencer	25p	6	81	+2	108	70
Unilever	25p	6	380	+4	500	346

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e). * Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 23	Dec. 6	Feb. 24	Mar. 8
Dec. 7	Dec. 20	Mar. 10	Mar. 22
Dec. 21	Jan. 11	Mar. 24	Apr. 5

A double was arranged in Shell Transport, while calls were dealt in Lonrho, International Computers, J. Lyons, Wilkinson Match, Hanson Trust and Lodens. A short-dated double was arranged in Shell Transport.

Industrials		E.M.I.	17	Marks & Sp'ncer	8	Brit. Land	5½
A. Brew	8½	Fitch Lovell	6	Midland Bank	28	Cap. Counties	5
A. P. Cement	15	Gen. Accident	12	Nat'l West Bank	30	E.P.	6
[illegible]	[illegible]	Gen. Electric	16	"Do" Warrants	7½	Intereuropean	7
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bowater	16	I.C.I.	40	Slater Walker	6	Brit. Petroleum	40
B.A.T.	21	"Imps"	7	Spillers	4	Burmah Oil	4½
British Leyland	5	I.C.L.	14	Tesco	4	Shell	27
BOC	6½	Inveresk	7	Thorn "A"	22	Ultramar	14
Brown (J.)	9	Legal & General	12	Trust Houses	9		
Burton "A"	6½	Ladbroke	11	Tube Invest.	7	Mines	
Cadbury	5	Lex Service	5½	Unilever	30	Charter Cons.	13
Cavenham	10	Lloyds Bank	22	Utd. Drapery	8	Chart'hall Fin.	4
Courtaulds	11	"Lots"	4	Vickers	15	Cons. Gold	15
Debenhams	6	London Brick	4½	Williams-Hud'n	4	Hampton Areas	12
Distillers	16	Lonrho	9	Woolworths	6	Rio T. Zinc	16
Dunlop	7½	Lucas Inds.	40			Western M'ng	18
Eagle Star	11	"Mams"	7	Property			

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (10)

AMERICANS (1)
Champion Intl.
BUILDINGS (1)
Reed & Mallik
HOTELS (1)
Epicure
INDUSTRIALS (2)
Richards of Sheffield
SHIPPING (1)
Common Bros.
TRUSTS (2)
Edinburgh Indust. Williams Hudson
Kakuzi
RUBBERS (1)
Consld. Plants.
TEAS (1)
Single

NEW LOWS (36)

AMERICANS (1)
I.U. Int.
CANADIANS (5)
Can. Imp. Bank; Hudsons Bay Oil Gas; Gulf Oil Can.; Imperial Oil; Hawker Sidd. Can.
BANKS (2)
Bank N.S.W.; Natl. Bank Aust.; Comml. Bk. Aust.
BUILDINGS (6)
Bryant; Leech (Wm.); Burt Boulton; Fairview Estates; I.D.C.; Whittingham
ENGINEERING (2)
Brasway; Spencer Clark
FOODS (1)
Pauls (P.J.)
INDUSTRIALS (3)
B.H. Prop.
MOTORS (2)
British Leyland
PAPER (1)
Assoc. Paper
PROPERTY (1)
Lend Lease
SHIPPING (1)
Reardon Smith
TRUSTS (3)
Iceland ($)
OVERSEAS TRADERS (1)
Aust. Agricultural
RUBBERS (1)
Gadek Malaysia
MINES (3)
BH South; M.I.M. Hldgs.; Pancontinental; Peko-Wallsend; Sabina Inds.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	55	—	7
Corpns., Dom. and Foreign Bonds	20	4	36
Industrials	312	200	1,156
Financial and Prop.	203	48	297
Oils	8	10	17
Plantation	6	12	20
Mines	27	26	72
Recent Issues	5	2	17
Totals	636	302	1,622

BASE LENDING RATES

Allied Irish Banks Ltd.	14
American Express Bank	14
Anglo-Portuguese Bank	14
Henry Ansbacher	14½
Banco de Bilbao	14
Bank of Credit & Cmce.	14
Bank of Cyprus	14
Bank of N.S.W.	14
Banque du Rhone S.A.	14½
Barclays Bank	14
Barnett Christie Ltd.	15
Bear Securities Ltd.	14½
Bremar Holdings Ltd.	14
Brit. Bank of Mid. East	14
■ Brown Shipley	14½
Canada Permanent AFI	14
Capitol C & C Fin. Ltd.	14
Cayzer, Bowater Co. Ltd.	14
Cedar Holdings	14
■ Charterhouse Japhet	14
C. E. Coates	15
Consolidated Credits	14
Co-operative Bank	*14
Corinthian Securities	14
Credit Lyonnais	14
G. R. Dawes	15
Duncan Lawrie	14
Eagil Trust	14
English Transcont.	14
First London Secs.	14
First Nat. Fin. Corp.	16
First Nat. Secs. Ltd.	16
Goode Durrant Trust	14
■ Antony Gibbs	14
Greyhound Guaranty	14
Grindlays Bank	‡14
■ Guinness Mahon	14
■ Hambros Bank	14
■ Hill Samuel	§14
C. Hoare & Co.	†14
Julian S. Hodge	15
Hongkong & Shanghai	14
Industrial Bank of Scot.	14
Keyser Ullmann	14
Knowsley & Co. Ltd.	15½
Lloyds Bank	14
London & European	14½
London Mercantile	14
Midland Bank	14
■ Samuel Montagu	14
■ Morgan Grenfell	14
National Westminster	14
Norwich General Trust	14
P. S. Refson & Co.	14
Rossminster Accept'cs.	14
Royal Bk. Canada Trust	14
Schlesinger Limited	14
E. S. Schwab	15
Security Trust Co. Ltd.	15
Shenley Trust	16
Standard Chartered	14
Trade Development Bk.	14
Twentieth Century Bk.	15
United Bank of Kuwait	14
Whiteaway Laidlaw	14
Williams & Glyn's	14
Yorkshire Bank	14

■ Members of the Accepting Houses Committee.
* 7-day deposits 11%, 1-month deposits 11½%.
† 7-day deposits on sums of £10,000 and under 11%, up to £25,000 11½%, over £25,000 11¾%.
‡ Demand deposits 12%.
§ Call deposits over £1,000 11%.

MONEY MARKET

Signal on interest rates

Bank of England Minimum Lending Rate 14¼ per cent. (since November 19, 1976)

The authorities underlined their recent position on interest rates yesterday by indicating to the London money market that a reduction in Bank of England Minimum Lending Rate would not be welcomed on Friday. They gave this signal to the market by lending a small amount to eight or nine discount houses, for seven days at Minimum Lending Rate. The total assistance given was large, with the authorities also lending a moderate amount, overnight at MLR, to the same number of houses.

Banks carried forward surplus balances from Tuesday, Government disbursements exceeded revenue payments to the Exchequer, and a fall in the note circulation was also in the market's favour. On the other hand there was a net market take-up of Treasury bills, and repayment was made of the previous day's advances to the market.

Discount houses paid about 14¾ per cent. for secured call loans in the early part, and closing balances were taken at 14½-14¾ per cent.

In the interbank market overnight loans opened at 14¾-14⅞ per cent. and eased to 14½ per cent. at lunch, before touching 14-14¼ per cent. in the afternoon, and closing at 15 per cent.

Rates in the table below are nominal in some cases.

Dec. 1 1976	Sterling Certificates of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company deposits	Discount market deposits	Treasury bills ϕ	Eligible Bank Bills ϕ	Fine Trade Bills ϕ
Overnight	—	14-15	—	—	—	—	14⅛-14¾	—	—	—
2 days notice	—	—	14⅞-15⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	14⅞-15	15⅛-15¼	—	15⅛	—	14⅝-14¾	—	—	—
One month	15-14⅞	14¾-15	14⅞-15⅛	15⅛-14⅞	15-15⅛	—	14¼-14½	14⅞-15[illegible]	15-14[illegible]	15⅛-15¼
Two months	14[illegible]	14⅞-15	—	15⅛-14¾	15-15⅛	—	14-14¼	15[illegible]	14[illegible]-14¾	15⅛-15¼
Three months	[illegible]	14[illegible]-14⅞	14⅞-15	14¾-14	14¾-15⅛	—	14-14¼	14[illegible]-14[illegible]	14⅞-14[illegible]	15¼-15⅛
Six months	14[illegible]	[illegible]-14¼	14⅝-14⅞	14½-14	14-15	—	—	—	14-1[illegible]	15[illegible]-15
Nine months	15[illegible]	15[illegible]-14⅞	—	14½-14¾	14-15	—	—	—	—	—
One year	15[illegible]	15[illegible]-14¾	15¼-15⅛	14⅛-13⅝	—	—	—	—	—	—
Two years	—	—	14¾-15	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 14½-15 per cent.; four years 14½-15 per cent.; five years 14⅝-15 per cent. ϕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14[illegible] per cent.; four-month trade bills 15[illegible]-15 per cent. Approximate selling rate for one-month Treasury bills 13[illegible]-13[illegible] per cent.; two-month 13[illegible] per cent.; and three-month 14-13[illegible] per cent. Approximate selling rate for one-month bank bills 14[illegible]-14[illegible] per cent.; two-month 14[illegible]-14[illegible] per cent.; and three-month 14[illegible]-14[illegible] per cent.; one-month trade bills 15[illegible]-15[illegible] per cent.; two-month 15[illegible]-15[illegible] per cent., and also three-month 15[illegible]-15 per cent.

Finance House Rates (published by the Finance Houses Association): 15 per cent. from December 1, 1976. Clearing Bank Deposit Rates for small sums at seven days' notice 11 per cent. Clearing Bank Base Rates for lending 14 per cent. Treasury bill average tender rates of discount 14.0342 per cent.

CORAL INDEX

Close 301-306

INSURANCE BASE RATES

† Atlantic Assurance [illegible]
† Cannon Insurance [illegible]
† Address shown under Insurance and Property Bond Table.

هكذا من الأصل

AUTHORISED UNIT TRUSTS

Bishopsgate Progressive Mgmt. Co.♥
9, Bishopsgate, E.C.2. 01-588 6280

B'gate Pr.* Nov. 23	116.6	118.2	.....	5.70
Acc. Units* Nov. 23	127.3	135.6	.....	5.70
B'gat. Int. Nov. 30	121.6	130.2	.....	3.64
Acm. Units Nov. 30	130.1	139.3	.....	3.64

Next sub. day Dec. 14. *Dec. 7.

Framlington Unit Mgt. Ltd. (a)
5-7, Ireland Yard, EC4B 5BH. 01-248 6971

Capital Tst.	50.8	54.8	.....	6.67
Income Tst.	47.2	50.2	.....	9.36
Int. Growth Fd.	53.1	57.2	.....	4.36
Do. Accum.	53.8	57.2	.....	4.36

Friend's Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	24.1	25.7	+0.4	6.70
Do. Accum.	29.5	31.5	+0.4	6.70

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

						IRISH		
						Conv. 9% '80/82	£78¾	.....
Albany Inv. 20p	16	.....	Higsons Brew.	52	.....	Alliance Gas	67	.....
Ash Spinning	34	.....	I.O.M. Stm. £1	134	.....	Arnott	190	.....
Bertam	21	.....	Holt (Jos.) 25p	180	.....	Carroll (P.J.)	93	−2
Bdg'wtr. Est. 50p	122	.....	Kleen-e-Ze	32	.....	Clondalkin	36	.....
Clover Croft	24	.....	Lovell's Ship £1	180	.....	Concrete Prods.	41	.....
Craig & Rose £1	350	.....	N'thn. Goldsmith	21	.....	Heiton (Hldgs.)	29	.....
Dyson (R.A.)	20	.....	Pearce (C. H.)	85	.....	Ind. News	37	.....
Ellis & McHdy.	60	.....	Peel Mills	11	.....	Ins. Corp.	[illegible]	.....
Evans F'k 10p.	22	.....	RobbCaledon Sh.	39½	.....	Irish Distillers	38	.....
Evered	7½	.....	Sayers 12½p	15	.....	Irish Ropes	80	.....
Fife Forge	49	.....	Sheffield Brick	73	.....	Jacob	40	.....
Finlay Pkg. 5p.	16	.....	Sheff. Refrshmt.	138	+8	Sunbeam	10	.....
Graig Ship. £1	300	.....	Shiloh Spinn.	21	.....	T.M.G.	70	.....
Hallam Sleigh 10p	8	.....	Sindall (Wm.)	49	.....	Unidare	44	+2

LEADERS AND LAGGARDS

The following table shows the percentage changes* which have taken place since December 31, 1975, in the principal equity sections of the F.T.-Actuaries Share Indices. It also contains the F.T. Gold Mines Index.

Rubbers	+26.84	Entertainment and Catering	−23.25
Tins	+22.82	Consumer Goods (Non-durable) Group	−23.35
Oils	+16.75	Wines and Spirits	−23.75
Teas	+11.92	Breweries	−25.73
Toys and Games	+ 9.32	Discount Houses	−26.02
Newspapers and Publishing	+ 7.87	Electronics, Radio and TV	−26.35
Machine Tools	− 0.96	Insurance (Composite)	−27.07
Insurance Brokers	− 4.03	Office Equipment	−27.55
Motors and Distributors	− 5.86	Stores	−28.65
Shipping	− 8.35	Financial Group	−28.95
Electricals	−13.55	Banks	−29.88
Chemicals	−13.57	Mining Finance	−30.38
Overseas Traders	−13.96	Property	−32.00
Engineering (Heavy)	−13.99	Insurance (Life)	−32.13
500-share Index	−15.55	Building Materials	−33.33
Engineering (General)	−15.78	Household Goods	−35.79
Tobaccos	−16.42	Textiles	−36.71
All-share Index	−18.40	Hire Purchase	−37.61
Food Manufacturing	−19.74	Coppers	−41.21
Consumer Goods (Durable) Group	−21.03	Merchant Banks	−42.46
Industrial Group	−21.21	Contracting and Construction	−44.25
Capital Goods Group	−21.96	Gold Mines FT	−88.71
Investment Trusts	−22.26		
Packaging and Paper	−22.59		
Food Retailing	−22.79		

* Percentage changes based on Tuesday, November 30, 1976, indices.

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

Warburg Invest. Mngt. Jrsy. Ltd.
1 Charing Cross, St. Helier, Jsy. C.I. 0534 29741

CMF Ltd. Nov. 25	$US9.65	9.90	.....	—
CMT Ltd. Nov. 25	£9.22	9.46	.....	—
Metals Tst. Nov. 18	£12.27	12.57	.....	—
TMT Nov. 11	$US9.96	10.22	.....	—
TMT Ltd. Nov. 11	£10.10	10.36	.....	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

WorldWideGth.Fd.	$US11.38	.....	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥Net of tax on realised capital gains unless indicated by ♦. †Guernsey yield. ●Suspended. ‡Single premium insurance bonds. ♦Yield before Jersey tax.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
101⅔	99⅜	Treasury 10½pc 1976‡‡	99⅞	.....	10.55	13.96
99½	95⅜	Treasury 6¾pc 1977‡‡	98	+⅛	6.30	13.87
97⅞	94½	Electric 3pc 74-77	97⅞	+⅛	3.09	13.53
103⅛	97⅞	Treasury 11½pc '77‡‡	98½	.....	11.68	15.38
95⅞	91⅞	Treasury 3pc '77‡‡	94	+⅛	3.19	9.73
95⅝	92¼	Transport 4pc '72-77	94⅝xd	+⅛	4.22	9.32
99⅞	90½	Treasury 8pc 1978‡‡	95	+⅛	9.47	13.53
101½	93⅞	Treasury 10¼pc '78‡‡	95⅛	+⅛	11.00	13.69
93¾	89⅝	Exch. 5pc '76-78	90⅝	+⅛	5.52	10.79
103⅔	92⅞	Treasury 11½pc '79‡‡	94⅛	+¼	12.16	14.37
98¾	92⅞	Treas. 11½pc '79 'A'‡‡	94½	+⅛	12.17	14.39
88⅞	82¼	Treasury 3pc '79‡‡	84	+⅛	3.57	9.64
89⅞	82¼	Electric 4¼pc '74-79	85⅛	+⅛	4.99	10.46
100⅞	88⅞	Treasury 10½pc '79‡‡	91⅛	+⅛	11.53	14.34
88¼	82¼	Electric 3½pc '76-79	84	+⅛	4.17	9.87
96⅞	84½	Treasury 9pc 1980‡‡	86⅝	+⅛	10.38	14.25
96½	84⅞	Treasury 9½pc '80‡‡	87⅛	+⅛	10.90	14.35
86	76¼	Treasury 3½pc '77-80	80⅞xd	+⅛	4.33	10.07
89½	80	Funding 5¼pc '78-80‡‡	81⅞	+⅛	6.41	11.66
96⅞	96⅞	Exch. 13pc 1980‡‡●	96⅞	.....	13.51	14.25
103⅛	88½	Treasury 11½pc 1981‡‡	90⅞	+⅛	12.68	14.53
85	76¼	Treasury 3½pc 1979-81	77⅞	+⅛	4.52	10.24
95⅝	82⅞	Treasury 9¾pc 1981‡‡	85⅛	+⅛	11.44	14.42
		Five to Fifteen Years				
94⅛	79⅞	Treasury 8½pc '80-82‡‡	84⅛	+¼	10.51	13.61
70½	69⅜	Treasury 3pc '82‡‡	70½	.....	4.28	10.62
99⅞	98¼	Treasury 14pc '82‡‡	98⅝	+¼	14.31	14.59
107¼	88⅞	Treasury 12pc 1983‡‡	92½	+¼	13.33	14.46
81⅞	69⅝	Funding 5½pc '82-84‡‡	72¼	+¼	7.24	11.62
87⅝	74⅞	Treasury 8¼pc '84-86‡‡	78¼	+¼	11.35	13.18
74⅞	60⅛	Funding 6½pc '85-87‡‡	63⅝	+¼	10.31	13.09
77⅞	65⅛	Treasury 7¾pc '85-88‡‡	65⅝	+¼	11.76	13.82
51¼	44⅞	Transport 3pc '78-88	46¼xd	+⅛	6.45	11.47
59¾	49	Treasury 5pc '86-89	50¼	+⅛	9.93	13.13
103¼	87¼	Treasury 13pc 1990‡‡	92⅝	+¼	14.03	15.17
75⅞	61⅝	Treasury 8¼pc '87-90‡‡	63¼xd	+⅛	12.98	14.47
60	47⅞	Funding 5¾pc '87-91‡‡	50⅛	+⅛	11.63	14.01
		Over Fifteen Years				
100½	84¼	Treasury 12¼pc '92‡‡	89	+¼	15.11	15.42
98½	82¾	Treasury 12½pc '93‡‡	87	+¼	15.21	15.50
58	45½	Funding 6pc 1993‡‡	46⅞	+⅛	12.74	14.55
97⅛	91⅞	Treasury 14½pc '94‡‡	96⅛	+¼	14.43	15.14
75⅝	59½	Treasury 9pc '94‡‡	62¼	+⅛	15.53	15.60
36½	28⅝	Gas 3pc '90-95	32¼	+⅛	9.34	13.05
100	79	Treasury 12¾pc '95‡‡	83½	+¼	15.38	15.57
75⅞	59⅞	Treasury 9pc '92-96‡‡	63¼	+⅛	14.68	15.26
98⅝	97½	Treasury 15¼pc '96‡‡●	98¼	+¼	15.62	15.69
95¾	81½	Exchequer 13¼pc '96‡‡	86½	+¼	15.50	15.65
35½	28	Redemption 3pc 1986-96	30⅛	+⅛	10.13	12.72
102½	85⅛	Treasury 13¾pc '97‡‡	90	+¼	15.56	15.65
70⅛	58	Treasury 8¾pc 1997‡‡	61½	+⅛	14.76	15.16
57⅝	45	Treasury 6¾pc '95-98‡‡	47¼	+⅛	14.31	15.09
100⅝	95⅛	Treas. 15½pc '98‡‡	100⅝	+¼	15.73	15.71
76	63¼	Treasury 9½pc 1999‡‡	65⅞	+¼	15.02	15.35
31½	25¼	Funding 3½pc '99-04	27½	+⅛	13.38	14.22
65	51	Treasury 8pc '02-06‡‡	54⅛	+¼	15.24	15.29
46⅛	35⅝	Treasury 5½pc '08-12‡‡	37⅞	+⅛	15.02	15.14
60⅞	50⅞	Treasury 7¾pc '12-15‡‡	53½	+⅛	15.27	15.29
		Undated				
30⅛	25¼	Consols 4pc	26⅞	+⅛	15.67	—
[illegible]	[illegible]	War Loan 3½pc‡‡	[illegible]	[illegible]	14.67	—
[illegible]	[illegible]	Conv. 3½pc '61 Aft.	[illegible]	[illegible]	[illegible]	—
[illegible]	[illegible]	Treasury 3pc '66 Aft.	[illegible]	[illegible]	[illegible]	—
[illegible]	[illegible]	Consols 2½pc	[illegible]	[illegible]	[illegible]	—
[illegible]	[illegible]	Treasury 2½pc	[illegible]	[illegible]	[illegible]	—

**INTERNATIONAL BANK

[illegible]

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 39¾% (based on $1.6647 per £)

Conversion factor 0.7149 (0.7166)

CANADIANS

[illegible]

S.E. List Premium 39¾% (based on $1.7250 per £)

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

صكتار الاجل

INDUSTRIALS—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	250	Blyvoor 25	370	......	Q75c	1.6	14.7
£14	440	Buffels R1	680	+10	Q125c	1.6	23.3
*140	70	Deelkraal R0.20	86	......	—	—	—
760	125	Doornfontein R1	240	+5	Q55c	2.2	[illegible]

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p	9	......	0.1	ϕ	1.6
35½	15½	Charterhall 5p	22½	+½	—	—	—
990	550	Cons. Murch. 10c	620	−20	†Q80c	1.8	9.3
425	245	Northgate C$1	340	−25	—	—	—
239	132	R.T.Z.	147	+1	g5.96	2.1	6.2
112	64	Sabina Inds. C$1	64	−6	—	—	—
£15⅞	£10	Tara Expln. $1	£12	......	—	—	—
45	32½	Tehidy Minerals 10p	33	......	†h1.08	ϕ	5.1
145	84	Yukon Cons. C$1	109	−2	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ◆ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ‡ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- II No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: ⅆ ex dividend; ⅇ ex scrip issue; ⅆ ex rights; ⅆ ex all; ⅆ ex capital distribution.

"Recent Issues" and "Rights" Page 23

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £225 per annum for each security

FINANCIAL TIMES
Thursday December 2 1976

Brokers analyse CCA impact

BY MICHAEL LAFFERTY

COMPANY SHARE prices do not yet reflect the impact of the proposed new current cost accounting (CCA) system, although the market as a whole is discounting the overall impact, Phillips and Drew, the stockbroking firm said yesterday.

Phillips and Drew has analysed the effect of the new accounting system on the last reported results of 120 major British companies. Aggregate pre-tax profits were reduced by about 45 per cent. for the current year and by 40 per cent. for next year. But there is a considerable variation between sectors. Banks, contractors and stores were comparatively lightly affected. Textiles, shipping, paper and engineering were among the worst affected.

The brokers have assumed a 52 perc ent. tax charge on U.K. profits, plus the overseas tax actually paid. On this arbitrary basis they find that earnings attributable to shareholders fall more sharply than pre-tax profits—by 55 per cent. in the current year and by 50 per cent. next year.

O fifth of the companies in the Phillips and Drew sample made a CCA post-tax loss last year and an eighth are expected to do so this year. Of the 120 companies 11 would have paid out greater amounts in dividends than they had earned—even with the inclusion of the gain in money items.

Despite all the possible methods allowed by the CCA proposals for calculating distributable profits, the brokers forecast that old-fashioned price/earnings ratios and yields would remain the prime investment yardsticks.

The firm is critical of a number of the features in the accountants' proposals, including hte exemptions from teh need to provide for the effect of inflation on stocks, particularly in the case of long-term contracts.

There should also be firmer guidelines for the calculation of distributable profits by directors.

This list shows the estimated effect of CCA on the last reported pre-tax profits of some well-known companies:

	Percentage reduction
Pilkington	51
Wimpey	37
GEC	36
GKN	68
Dunlop	70
Unilever	15
Debenhams	72
Marks and Spencer	13
ICI	72
Reed International	118

Guidance

Quentin Guirdam, Property Correspondent writes: Property valuers yesterday welcomed the principles of current cost accounting as outlined by the Accounting Standards Committee, but maintained some strong reservations on methods.

The importance of valuers will be much enhanced by proposals to insist on annual estimates of the value of land, buildings, plant and machinery.

The Inflation Accounting Steering Group has worked closely with the Royal Institution of Chartered Surveyors on questions of valuation. Yesterday the institution published its draft guidance notes on how valuers should act.

It includes slightly tighter definitions of qualified valuers and insists that neither they, nor members of their firms, should have any significant financial interest in client companies.

Mr. Norman Bowie, chairman of the institution's assets valuation standards committee, denied yesterday the increased use of external valuers to sample or complete company valuations would provide a bonanza for the profession.

Table, Page 9

TUC might agree to further period of wage restraint

BY ROY ROGERS, LABOUR CORRESPONDENT

THE FIRST public hint that the TUC might be prepared to accept another period of voluntary wage restraint when the presnet phase of pay policy expires next July came last night from Mr. Len Murray, TUC general secretary.

Speaking after a two-hour session of talks with the Prime Minister and other Ministers, Murray said that the Government had been "very guarded indeed" concerning its delicate negotiations with the International Monetary Fund. He and other members of the economic committee who attended the Downing Street meeting were given no idea as to what might be included in the anticipated package of economic measures.

The TUC, Mr. Murray said, realised that the Government had some very difficult negotiations ahead and, having made its views known, had confidence in the Government.

But he gave a warning that the eventual package would have a decisive influence on the future of the social contract—especially any effect the measures might have on unemployment or prices.

Mr. Murray went no to express the view that the union movement would want to continue with voluntary collective bargaining and "not decline into disorder" and added that provided the social contract remained intact he did not foresee any wage explosion next year.

It would, after all, be foolish to cancel out all the gains in the fight against inflation that workers had achieved by way of sacrifice in recent years. At the same time the unions realised the Government's dilemma of having to steer a course between the demands of the international observers and governments on the one hand, and maintaining the condence of the TUC on the other.

At last night's meeting, TUC leaders impressed upon the Government yet again the need to continue with their agreed industrial strategy and not resort to massive new expenditure cuts.

There was no question of the TUC running out on its present commitments under the social contract, said Mr. Murray, but it had been made clear to the Ministers that any Government action leading to higher unemployment would make it more difficult to negotiate a new phase oft he contract.

When they consider the eventual package the TUC would attempt to distinguish between what the Government had been forced to do because of genuine international constraints and whether adequate account had been taken of the possible pressures on the social contract.

Government seeks way to fund investment aid

BY ADRIAN HAMILTON

THE GOVERNMENT is still believed to be debating how it will fund additional resources promised both to the National Enterprise Board and for the new investment scheme planned by the Industry Department.

An assurance of additional funding for these purposes was made by the Chancellor of the Exchequer last July and the present intention is to announce at least the major new £70-100m. investment scheme for industry as part of the "mini-budget" package later this month.

Additional funding for the National Enterprise Board on the other hand may well have to await completion of the White Paper on Public Expenditure due early in the New Year.

The problem seems to be less the commitment to extra finance — sums being discussed are thought to concern about £50-£80m. a year — than the source for this finance.

With public expenditure now under close scrutiny, the Treasury is thought to be anxious to make room for this move by cuts in other industry aid schemes, particularly in the amounts available for selective regional assistance, as well as broader cuts in the budgets of other Departments.

The new "national investment scheme," a successor to the Industry Department's highly-successful accelerated investment projects scheme, is meanwhile being pushed on as part of the package under consideration by the Cabinet.

Mr. Eric Varley, the Industry Secretary, had hoped to announce it last month — in time for the recent meeting of the National Economic Development Council on the industrial strategy.

Treasury deliberations on the financing means (part of the sums may again have to come out of other allocations for industry) coupled with public relations considerations, however, have changed its timing to coincide with the expenditure cuts expected later this month.

The scheme, in which interest relief grants would be specifically aimed at encouraging companies to undertake investment for balance of payments reasons as well as to bring forward investment which might otherwise be delayed, is expected to be used as a compensating move to expenditure cuts made in other areas.

The need for extra funds for the National Enterprise Board, currently allocated a nominal £225m. a year, was again stressed in a written answer by Mr. Varley in the Commons yesterday setting out policy priorities for the Board.

The guidelines expand the framework already set down earlier in the year by the Department. They make clear the Government's dislike of any notion that the Board should develop as an agency for buying into profitable parts of British industry as some elements of the Labour Party have demanded.

Instead, they put the NEB's role firmly within the context of the industrial strategy and stress that its contribution should be "selective."

The Board, it argues, should concentrate on new initiatives where it is well qualified to intervene, where maximum advantages can be obtained from resources available and where other policy instruments available to the Government most clearly need to be reinforced.

About 8,000 Civil Service staff over 65 to lose jobs

BY DAVID CHURCHILL, LABOUR STAFF

ABOUT 8,000 civil servants aged over 65 are to be made redundant from the beginning of January because of a new Government rule imposing compulsory retirement at 65.

At present there is no maximum age limit for civil servants. Because until recently there were staff recruitment difficulties, Government departments have been keen to retain staff over 65, especially among the lower clerical grades.

But the need to reduce manpower, following Government instructions earlier this year, as well as a desire to replace many of those dismissed with school leavers has prompted the Civil Service Department to introduce the age limit.

Already the move has been condemned by the unions as being arbitrary and unfair to one particular group of employees at a time when the overall manpower situation in the Civil Service is still under discussion.

The unions, who were informed of the new age limit only in the past two weeks, were asked to formulate their views on how to implement the ruling by to-day.

But they have firmly rejected the deadline on the grounds that the Department has been too hasty, as well as arguing that the age limit and redundancies should be negotiated through existing procedural arrangements.

In addition, the unions claim that there is no guarantee that enough young people will be found with the abilities and experience necessary to replace those made redundant.

Mr. Les Moody, of the Civil Service Union, whose members will be particularly hit by the retirement ruling, described it as "wrong in principle and cruel in practice."

He said that many of his members would be forced to live on inadequate pensions because they had been with the Civil Service only a few years.

Ironically, both male and female Civil Servants are given the option to retire at 60 in most Departments, although often they have to revert to more junior grades to open up promotion prospects for younger staff. The unions are pressing for this retirement threshold to be reduced to 55.

Appeal by JFB on Dunford bid opens

By Terry Wilkinson, City Staff

THE BANK OF ENGLAND had been pressing Johnson and Firth Brown to join in an institutional consortium to present Dunford & Elliott with an alternative to the National Enterprise Board's financing proposals at least a week before JFB launched its £3.5m. bid for the company.

This emerged yesterday on the first day of JFB's application in the Court of Appeal to disclose a temporary order made on Tuesday by Mr. Justice Mocatta. The order prevents JFB from going ahead with its bid on the grounds that JFB has had access to confidential information about Dunford & Elliott.

Mr. Anthony Lloyd Q.C. for JFB, also said yesterday that JFB had, as long ago as July, written to Dunford suggesting a take-over as a possible solution to Dunford's financial problems and the threat of public ownership.

JFB's involvement with the institutions, said Mr. Lloyd, began three months later, on October 26. This was the day after an institutional consortium, which spoke for 43 per cent. of Dunford's shares, had met with Dunford and its financial advisors, Morgan Grenfell.

The following day, Mr. Philip Ling, general manager of JFB, and his personal assistant visited Prudential Assurance where they were shown confidential documents given to the Prudential by Dunford in support of proposals for a £5m. rights issue.

A few days later, said Mr. Lloyd, Sir Henry Benson, industrial advisor to the Bank of England, told JFB that he hoped the company, along with GKN, would subscribe £500,000 each and join in the consortium.

Mr. Lloyd also said that Dunford was alarmed at the amount of information which the Prudential had given JFB and that the Prudential's answers on this were, according to Justice Mocatta's judgment at the injunction hearings, "less than satisfactory."

Irrelevant

Mr. Lloyd argued that the information given to JFB, largely a budget summary containing borrowings projections and sales and profits forecasts, and an engineering report by consultants, was irrelevant to JFB's subsequent bid which came five days after Dunford rejected the idea of JFB's inclusion in the rights issue consortium.

It was irrelevant, Mr. Lloyd argued yesterday, because Mr. Ling of JFB, found the forecasts "incredible" and over-optimistic and a great deal of the other details to be common knowledge.

He suggested that the information should be made freely available to other shareholders. The injunction was preventing shareholders from deciding on the issue, which was contrary to the general principal of the City Code.

Mr. Lloyd said that Mr. Justice Mocatta had not considered the merits of the case, but had been concerned to preserve what he believed to be the status quo. "By granting the injunction he was, in effect, deciding the issue."

In a further twist to "this bizarre case," Mr. Lloyd stated that Morgan Grenfell, on behalf of Dunford, had approached the Take-over Panel the day after the bid was announced to ask for a ban on JFB purchases of Dunford shares, because JFB had price sensitive information.

THE LEX COLUMN

Where CCA will bite hard

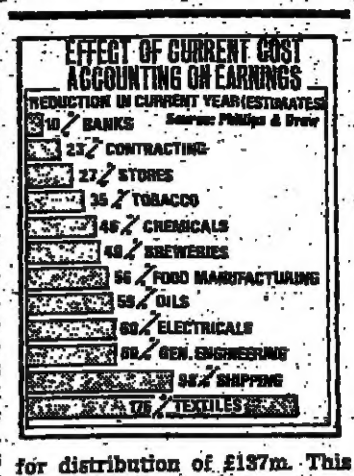
Heavy engineering is the second cheapest of 22 major stock market sectors in terms of prospective historic cost p/e's for the current year, but could slump to 20th place on a current cost earnings basis. Conversely, the stores sector takes 21st place on conventional calculations, but would rise to fifth place after the accounting changeover. This, at least, is the picture presented by Phillips and Drew whose aalysts have got to work on the accounts of 120 leading companies. The average reduction in earnings will be some 55 per cent., assuming that the U.K. tax on current cost profits will be 52 per cent., and that overseas taxes will still be charged on historic cost figures. Next year the fall in earnings may be slightly less, at 48 per cent. or so.

One in eight of the companies are likel yto show a loss on a CCA basis, and more than two-fifths (against half last year) will not be covering their dividends. The big losers indicated are three textile majors (Courtaulds, Tootal and Carrington Viyella) and a number of engineering groups, notably Tube Investments, plus assorted companies in other sectors like P & O, Reed and Grand Metropolitan.

But P and D are, of course, strong advocates of the incorporation of monetary adjustments in inflation accounting. The Morpeth proposals do allow some scope for this in the appropriation account, where companies can if they wish retain part of the revaluation surpluses for distribution. If the debt-financed proportion of these gains is added to earnings a considerably different picture emerges.

On this basis only one in ten of the companies will be paying uncovered dividends for the current year. A carefully worked example, taking ICI as the subject, shows how it might work. For 1975 ICI's attributable historic cost earnings of £191m. would have shrunk, according to the brokers, to only £23m. on applying the current cost method. The net surplus on revaluation of assets, however, would be massive by comparison at £881m.—and with debt financing 18 per cent. of this is substantial release is possible to cover dividends. The actual figure, after adjustments, comes to £114m., giving a total available

Index rose 3.7 to 301.3



for distribution of £137m. This would have ben enough to cover the 1975 payout more than twice.

P and D's main problems in producing their estimates have been in interpreting the Morpeth definition of contract work in progress. This obviously favours the apparent profits of specialist contractors. But it is possible that many manufacturing companies could argue that they do substantial contract work; the brokers have only allowed for this in the cases of some engineering companies.

GKN

GKN has cleared the last but one hurdle in its year-old struggle to take-over Sachs. Yesterday the Berlin Appeal Court overturned the Federal Cartel Office's ruling against the deal. GKN has now to see whether the Cartel office appeals to the Federal Supreme Court in Karlsruhe. If it does GKN will have to wait another year. But the odds are now looking increasingly in GKN's favour.

Even by GKN's standards the acquisition of 75 per cent. of Sachs is a major step. The cost —DM330m.—is almost double the grou's total overseas capital spending over the last five years. Sachs has shareholders' funds of DM235m. and 1975 after tax profits of DM25.4m., while sales of around DM1bn. will bulk large against GKN's present European turnover of around £240m.

Assuming Sachs makes profits of around £8m. in 1977 and after-tax financing costs on the overseas funding amount to around £2.5m. Sachs could chip in an extra 5p per share GKN's estimated 45p, putti the shares, which closed higher at 232p last night, on prospective multiple of under

Fairey

After six months, Fairey £0.8m. ahead at £2.1m. pre-t But a reduction in learni costs, which amounted £1.45m. in 1975-76, may ha accounted for more than fu fifths of the upturn and c rency translation profits m have been useful. The charge is beginning to rise after last year's rights iss Fairey will have to pjush quite a lot faster in the curre six months to March if it is avoid a deterioration in ea ings per share. Last yea published figure was 13p: side forecasts suggest profits could reach £6m. p tax in 1976-77 for fully ta earnings of under 12p.

The big engineering divis has apparently run into slower order intake in gir bridges and industrial produ must be growing increasin uneasy about the demand look. But the survey operati are the only division to rec a profits setback for the h year.

The shares at 58½p yiel prospective 10 per cent. and fully taxed p/e is about 5 the market is making a fa cool appraisal of 1977 and initial pay-off from the m F16 and MRCA contracts.

Vickers da Costa

Latest evidence of the cur squeeze on Stock Excha members comes from bro Vickers da Costa, which in 16 months to the end of Au has produced profits of £17 (including a £163,000 curr surplus) compared with p of £413,000 for the 12 mo to April. A seasonal upli the international business August has just about enough to offset the loss w Vickers, with its concentra on equities, has continued suffer in the U.K. since Aug But the total number employees around the worl now just half of that three y ago.

One point to note is tha the figures had been drawn in terms of a partnership st ture, U.K. losses of £350, over the period would have b transformed into a small pr

Weather

U.K. TO-DAY
RAIN or sleet at first, becoming mainly dry later.

S.E. England
Rain, dry later. Wind W. to N.W., fresh. Max. 6C (43F).

E. England
Rain or sleet, clearing later. Wind N.W., moderate. Max. 6C (43F).

Cent. S. England, Midlands
Rain or sleet, dry later. Wind N.W., fresh. Max. 5C (41F).

Channel Islands, S.W. England
Showers, bright intervals. Wind N.W., strong or gale. Max. 8C (46F).

Wales, N.W., Cent. N. England
Wintry showers, bright intervals. Wind N.W., fresh. Max. 6C (43F).

Lake District, Isle of Man, W. and N.E. Scotland, Central Highlands, Argyll, Orkney, Shetland, and N. Ireland
Wintry showers, bright intervals. Wind N.W., moderate. Max. 4C (39F).

Borders, Moray Firth
Scattered showers. Wind N.W., light or moderate. Max. 3C (37F).

Outlook: Cold. Rain or sleet, snow over high ground. Night frosts.

Lighting-up: London 16.24, Manchester 16.24, Glasgow 16.18, Belfast 16.32.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amstrdm.	R	6	43	Manchstr.	C	3	37
Athens	C	12	53	Melbourne	C	12	54
Barcelona	F	18	64	Mexico C.	S	20	68
Belfast	C	2	36	Milan	C	7	45
Belgrade	F	14	57	Montreal	C	−3	23
Berlin	R	6	43	Moscow	C	1	34
Birmghm.	C	4	39	Munich	C	6	43
Bristol	R	4	39	Newcastle	F	4	39
Brussels	C	6	43	New York	S	−2	29
Budapest	R	6	43	Oslo	C	−1	30
B. Aires	C	21	70	Paris	C	7	45
Cairo	S	20	68	Perth	S	24	75
Cardiff	R	5	41	Prague	S	6	43
Cologne	F	7	45	Reykjavik	C	1	34
Copenhgn.	Sl	3	37	Rio de J'o	S	34	93
Dublin	R	4	39	Rome	C	16	61
Edinburgh	C	3	37	Singapore	S	30	86
Frankfurt	F	6	43	Stockholm	Sl	1	34
Geneva	R	6	43	Strasbourg	C	7	45
Glasgow	C	3	37	Sydney	S	27	81
Helsinki	Sl	1	34	Tehran	C	9	48
Hong Kong	S	22	72	Tel Aviv	R	18	64
Jo'burg	S	26	79	Tokyo	S	15	59
Lisbon	Dr	15	59	Toronto	Sn	−7	19
London	C	6	43	Vienna	C	8	46
Luxembrg.	C	4	39	Zurich	C	4	39
Madrid	C	11	52				

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	C	15	59	Jersey	Dr	7	45
Algiers	C	17	63	Las Plms.	F	20	68
Biarritz	C	15	59	Locarno	C	6	43
Blackpool	C	4	39	Majorca	S	17	63
Bordeaux	R	14	57	Malaga	C	18	64
Boulogne	C	5	41	Malta	S	17	63
Casablnca.	C	16	61	Nairobi	C	20	55
Cape Town	S	22	72	Naples	F	14	57
Corfu	S	15	59	Nassau	S	27	81
Dubrovnik	C	13	55	Nice	C	14	57
Faro	C	17	63	Nicosia	C	15	59
Funchal	F	20	68	Oporto	R	14	57
Gibraltar	C	15	59	Salzburg	R	5	41
Guernsey	R	7	45	Tangier	C	15	59
Innsbruck	R	7	45	Tunis	C	16	61
Inverness	S	2	36	Valencia	C	16	61
I. of Man	C	5	41	Venice	R	8	46

C—Cloudy. R—Rain. S—Sunny. F—Fair. Sn—Snow. Sl—Sleet. Dr—Drizzle.

Continued from Page 1

Cabinet sees details

increases in charges for public services and work is now known to be under way on cuts in housing subsidies, which would increase council house rents.

Ministers, not only from the Left, but from the Centre and Right, are worried that the increase in prices resulting from any increase in indirect taxation would forfeit the tolerance and goodwill of the TUC, necessary to the success of any economic measures and to continuing agreement on pay restraint.

There will have to be some further cuts in expenditure over the next two to three years, and the Cabinet will be faced with a major problem of presentation.

On the one hand an impressive range of Ministers would oppose cuts substantially increasing unemployment but without public spending cuts of some significance there could be a further loss of confidence in sterling following the arousal of international expectations.

There was a noticeable sense of relief among Labour MPs at Westminster yesterday following the Chancellor's statement that the IMF had recognised that the level of unemployment had a significant effect in increasing the borrowing requirement.

Meanwhile, leading U.S. politicians and economists are continuing to visit London to gauge the state of play and indicate possible U.S. attitudes.

The latest is Senator Jacob Javits, a senior and liberal Republican member of the Senate Foreign Relations Committee, while at the end of next week Dr. Henry Kissinger is expected to be in London to see Mr. Callaghan and other senior Ministers during his visit to Europe for the NATO ministerial meeting.

In London yesterday, Senator Javits, said that the co-operation of the U.S. people and Congress for further assistance beyond the IMF loan would depend on a "standard of performance" by Britain.

"The people of the U.S. will want to see a cash flow chart and a blueprint for reaching economic viability in about five years," he added.

Senator Javits also said that the question of the sterling balances should not be directly linked to the IMF loan. But he hoped to see talks start soon on this topic, and personally favoured a multilateral approach.

Continued from Page 1

IMF

Cabinet have served only to remind the IMF of the extreme delicacy of the British political situation.

This a major reason why the Fund wants, if possible, to avoid being cast in the role of imposing any firm public sector borrowing target. It would much prefer the British Government to be seen taking the decision on its own.

It is argued strongly in some quarters that political problems might have been avoided if discussions about the loan had taken place initially at a much higher level.

Broad agreement might then have been reached before the Fund team was despatched. Some senior IMF officials even fear that there is the danger that more may have been lost than gained during the period in which the negotiations had taken place.

On the question of the sterling balances, it is understood that some members of the Group of Ten might favour a quick declaration of support for talks as soon as the U.K. Government announces its package.

This may well be forthcoming but other members and some Fund officials apparently feel that it must be clear that the British measures are credible in the foreign exchange markets and elsewhere before there can be significant agreement about these talks.

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